FINANCIAL TIMES

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WORLD NEWS

Summit lifts hopes in US

Senior US officials echoed President Reagan's hopes of further progress in relations with the Soviet Union in the wake of the Geneva summit, but warned that progress would be slow.

National security adviser Robert McFarlane said the summit "succeeded beyond reasonable expectations in establishing a very fair understanding on both sides of the other country's purposes, priorities, ambitions and willingness to compromise." Back Page

Rail fares to rise

British Rail is to increase passenger fares by an average of more than 8 per cent in the New Year. Page 4

Trial for McGlinchey

Dominic McGlinchey, once Ireland's most wanted man, was sent for trial at Dublin's anti-terrorist court on charges connected with his capture in March last year.

Heath's warning

Former Prime Minister Edward Heath warned a decision for Britain to quit Unesco would be a foreign policy error reflecting the growth in the UK of "nasty, narrow-minded nationalism." Page 6

Beirut ceasefire

A Syrian-mediated ceasefire took hold in Beirut after two days of fierce fighting which had interrupted the hostage mercy mission of Terry Waite, the Archbishop of Canterbury's envoy. Page 2

Poland frees 110

Poland said it had released 110 political prisoners this month for humanitarian reasons. They were all first-time offenders.

Reagan biographer

President Ronald Reagan has selected Kenya-born historian Edmund Morris to write his biography. Mr Morris accompanied Mr Reagan to Geneva for this week's summit.

French dock strike

French dockers have called a 48-hour strike from midnight in protest against job cuts. Most main ports are to be affected but ferry services are unlikely to be disrupted.

Mach 12 jet plan

The Pentagon is to proceed with a $500m (£345m) plan to develop an engine for an aircraft capable of flying at 12 times the speed of sound—8,880 mph—and circling the globe in under four hours.

Alcohol 'air hazard'

Heavy drinking by passengers and large amounts of alcohol on planes are flight hazards, a British pathologist told the New Delhi inquiry into the crash of an Air India jet off Ireland, in June.

Cuban sugar hit

Cuba said it feared a reduction in its sugar crop after Hurricane Kate damaged 2.6m acres of cane — equivalent to a quarter of the country's cultivated land — this week.

Doe pledges fair trials

Liberian leader Samuel Doe promised speedy and fair trials for those arrested in connection with last week's abortive attempt to overthrow him.

$50,000 for Lloyd

Former West Indies cricket captain Clive Lloyd was given a cheque for $50,000 (£35,000) for his services to the sport at an international tournament in the UAE.

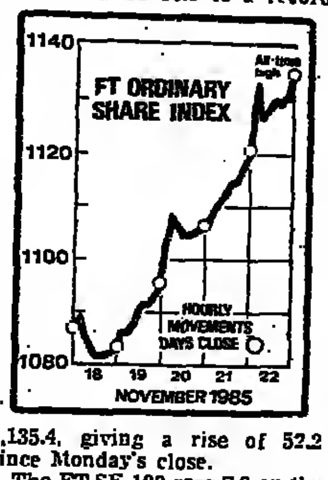
SE heeds appeal

The London Stock Exchange gave £1,250 to the BBC's Children in Need appeal, donating 5p for each contracts struck yesterady.

BUSINESS SUMMARY

FT index hits record 1,135.4

EQUITIES advanced to record levels for the fourth consecutive day, strengthened by Wall Street's overnight surge but underpinned by the rash of recent favourable trading statements. The FT Ordinary share index climbed 13.8 to a record



1,135.4, giving a rise of 52.2 since Monday's close.

The FT-SE 100 rose 7.9 on the day to a peak 1,451, while the FT-Actuaries All-Share index rose 0.5 per cent to a record 699.64. Page 14

DOLLAR continued to lose ground on the view that central banks were keen to see it pushed lower and suggestions that US interest rates would fall soon. The dollar lost 1.7 pfennigs to DM 2.576, while sterling added 1.2 cents to $1.454, its best closing level since March 1984. Page 13

HONG KONG share prices fell sharply following a Chinese warning over the pace and direction of political reform in the territory. The Hang Seng index lost 49.69 to 1,712.82. Back Page; World stock markets, Page 12

GRAND METROPOLITAN announced the sale of Mecca Leisure and Warner Holidays for £95m to a group of Mecca Leisure senior managers, backed by Samuel Montagu and the Royal Bank of Scotland. Back Page; Background, Page 4

FIAT of Italy was said to be in an advanced stage of negotiations for the acquisition of Ford Europe's British truck division through a joint venture deal. Back Page

COAL: The Government abolished the ceiling on the amount of money available to help industry switch to coal from other fuels. Page 4

PRINGLE of Scotland plans to invest £6m to set up a knitwear factory at Arbroath, north-east of Dundee, and expand its plant at Hawick in the Borders. Page 6

TIN: The London Metal Exchange decided to keep the tin market closed for at least another two weeks as Mr Paul Leong, Malaysia's Primary Industries Minister, flew into London for talks on the tin crisis. Page 4

PHILLIPS PETROLEUM of the US is prepared to spend a further $250m (£172m) in an attempt to save the sinking central platform of the Ekofisk field in the Norwegian sector of the North Sea. Page 2

ORIENT OVERSEAS, the publicly quoted arm of the troubled Hong Kong-based C. H. Tung shipping group, made a loss of HK$1.78bn (£158m) after extraordinary provisions in the first half of this year. Page 11

JAPAN'S 13 "city" or commercial banks improved their combined pre-tax profits by 1.2 per cent to Y545.5bn (£1.86bn) in the half-year to September, as slower growth resulted from a narrowing in rate spreads. Page 11

KWIK SAVE, supermarket chain, lifted second half pre-tax profits from £17.45m to £20.6m, lifting profits for the year ended August 31 by over 13 per cent to £35.99m. Page 10

Heseltine in effort to arrange European rescue for Westland

BY BRIDGET BLOOM IN LONDON AND JAMES BUXTON IN ROME

A LAST DITCH effort to secure the future of Westland, Britain's only helicopter manufacturer, through an injection of European rather than American capital has been launched by Mr Michael Heseltine, the Defence Secretary.

Mr Heseltine is in intensive consultations with his French, Italian and West German counterparts to see whether arrangements can be made for the helicopter industries of the three countries, singly or collectively, to take shares in the troubled British company.

The minister is acting in the belief that the financial crisis surrounding Westland, which centres on a serious gap in its order books between now and 1990, could provide a unique opportunity for rationalising the European helicopter industry. At present, this has too many manufacturers chasing too few orders in the teeth of efficient US competition.

Mr Heseltine's overtures, apparently so far made only in general terms, have been greeted with some sympathy. There are considerable fears on the Continent that the solution most commonly canvassed for Westland—the purchase of just under 30 per cent of its shares by the US company, Sikorsky, which is owned by United Technologies—could adversely affect individual European helicopter manufacturers.

However, there is also considerable scepticism both in Britain and abroad over whether a European alternative can be found for the company both within the time available and within the constraints simposed by the British Government.

The Government has set its face resolutely against using taxpayers' money to rescue Westland, but Mr Heseltine's European solution would have the state-controlled manufacturers of Italy or France investing in the British company.

Westland, which since June has been under the chairmanship of Sir John Cuckney, veteran of many corporate rescues, appears to favour the US solution to its problems.

It is believed that Sikorsky would be ready, within the tight timetable imposed by the need to produce preliminary balance sheet figures by the middle of next month, to come up with a cash injection in return for a minority stake in the company, as well as new work.

This would probably involve building the Sikorsky Black Hawk helicopter to tide Westland over until its new naval and utility helicopter, being built jointly with Agusta, the Italian company, is ready in the early 1990s.

The Italian Government and Agusta appear very worried by this prospect. Agusta is arguing that in the absence of a British rescue operation, its entry into a minority ownership of Westland is crucial to the future of the Italian company, and the best guarantee of Westland's survival.

This is because Agusta is already deeply involved with Westland in the new naval helicopter, called he EH101, and is working on a joint feasibility study for development by the two companies of Agusta's A129 anti-tank helicopter to meet the needs of the Italian and British armies in the 1990s.

Agusta's future is heavily dependent on the A129. The company spent L700bn (£275m) on its development but has so far received orders from the Italian army for only 60 aircraft.

From Italy's point of view, none of the other possible solutions to Westland's difficulties is attractive. Sikorsky is developing its own anti-tank helicopter, which would rival the A129, while Aerospatiale of France and Messerschmidt-Bolkow-Blohm of West Germany are working on a design for a rival anti-tank helicopter known as the PaH2.

The French and German companies are also believed to oppose a Sikorsky solution for Westland, mainly for the same reason as Italy but also because they are involved with Westland in a new helicopter for the 1990s known as the NH90.

However, it is far from clear whether the two companies could overcome their rivalry with Agusta in particular to make a joint rescue bid for Westland.

Militarily and politically Agusta might seem the best European partner for Westland, but there are serious difficulties. Agusta is in almost as weak a financial state as Westland. It lost L120.5bn last year on sales of L552bn and predicts a loss of L90bn this year. About

Continued on Back Page

Hatton faces expulsion from Labour Party

BY JOHN HUNT

THE Labour Party's national executive will consider, on Wednesday, a possible expulsion from the party of Mr Derek Hatton, deputy leader of Liverpool council, and other left wing Militant Tendency city councillors in Liverpool.

Last night, Mr Jack Straw, a Labour front bench environment spokesman, said Mr Hatton's expulsion was inevitable. Mr Neil Kinnock, the party leader, has made it clear he would like Mr Hatton out of the party, and Dr John Cunningham, Labour's environment spokesman, said it would be "quite astonishing" if the question of expulsion were not raised by the NEC.

Liverpool's District Labour Party met last night to consider the city's financial crisis after the city council failed on Thursday to meet a deadline for submitting proposals to the Association of Metropolitan Authorities to end the impasse.

In response the association said it would take no further action on its offer to make available to the city £3m provided through unused borrowing rights among its member councils.

Mr Hatton, speaking before last night's meeting, said the council had been "completely betrayed by Kinnock, the rest of the Labour leadership, national trade union leaders and by much of the local white collar union leadership."

Mr Straw, interviewed on Channel Four televisions A Week in Politics, said Mr Hatton had described himself as an active member of the Militant tendency. The party's annual conference had decided by a majority of five to one that Militant Tendency members were outside the Labour Party.

"My own judgment is that Mr Hatton's expulsion is inevitable and only a matter of time," he said. "I have always taken the view that members of the Militant Tendency should be outside the Labour Party and if they are in, hey should be expelled."

The expulsion of six Miliants in Mr Straw's constituency of Blackburn took a year. This would be the case if proceedings were taken against Mr Hatton.

The NEC would have to investigate his membership of the Militant Tendency and report back before a final decision. The Militants would then have a right of appeal to the party's annual conference.

Mr Straw described the Liverpool City Council tactics as "grotesque and appalling." He said he Labour leadership would support any proposals to restore normality to Liverpool "and if that meant having to bite the bullet of commissioners, we would do so."

Mr Kinnock, speaking on BBC Radio's World at One, said the expulsion of the Militant Tendency might be difficult but was not impossible. It was a matter that the NEC may want to take a view on.

He said Mr Hatton and his supporters had to accept the policies and programmes of the Labour Party and the principle of democratic socialism. Otherwise "they have absolutely no place in the Labour Party." He condemned the behaviour of the Liverpool councillors as "fecklessness and foolishness."

The Labour Party leadership is likely to support the Government in the Commons if it decides to appoint commissioners to run Liverpool.

Yesterday a group of Liverpool Labour MPs led by leftwinger Mr Eric Heffer made it clear they would oppose such a move. They made a statement criticising Mr Kinnock's approach to the problem.

Mr Heffer, MP for Walton, Mr Eddie Loyden, MP for Liverpool Garston and Mr Robert Parry, MP for Liverpool Riverside, said they would be appalled if the Labour Party supported the introduction of commissioners to run the city.

They warned they would resist such legislation, and would be prepared to go against the official Labour Party line in the House.

In a statement, they said some leading people in the party — seen as a reference to Mr Kinnock — had over-reacted to the Liverpool situation. They said Liverpool councillors had acted in the terms of Labour Party policy and "abuse and talk of disowning" them did not help.

Mr Kenneth Baker, Environment Secretary, again seemed to rule out early Government intervention in Liverpool's financial crisis. He placed the blame for the city's problems firmly on councillors and appealed to the Labour group to act "legally and responsibly" to stop the authority from going bankrupt.

Speaking on BBC Radio's World at One, Mr Baker said: "The problems of Liverpool, as I have made very clear, are quite capable of being solved by the Liverpool City Council."

Liverpool using 'Micawber defence' Page 4

WEEKEND FT

PENGUIN PACKAGE

The Falkland Islands see tourism as one answer to economic problems.

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SAVINGS

How to read an annual report.

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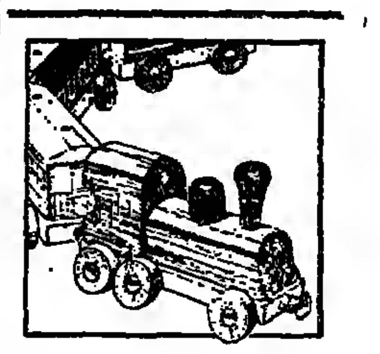

DIVERSIONS

Even Father Christmas needs advice and guidance. Lucia van der Post asks children what they would like to find in their stockings.

Page XI

SPORT

Who is six foot two inches, weighs 25 stone and is known as "The Refrigerator?" American football report.

Page XVI

Murdoch group and print union in technology move

BY SUE CAMERON

MR RUPERT MURDOCH'S News International group has made an advance with the National Graphical Association, traditionally one of the most powerful print unions in Fleet Street, over introduction of computerised newspaper technology.

The union is understood to have told News International, publisher of the Sun, The Times, Sunday Times and News of the World, yesterday that it is prepared to accept the principle of direct, computerised typesetting by journalists on The Post, a London evening newspaper Mr Murdoch is planning to launch next year.

The union is also believed to have said that with the National Union of Journalists it will put forward jointly proposals for the operation of such a system at News International's new printing plant in London's Docklands.

The union's concession could open the way for other Fleet Street newspapers to move to computerised production and so make substantial cuts in overmanning and correspondingly high costs.

To date the union has agreed to direct-input by journalists on several provincial newspapers but not a leading newspaper printed in London.

The union's offer was made in a letter to Mr Bill O'Neill, vice president of News International's News America subsidiary, the man called in by Mr Murdoch to conduct negotiations on the proposed move to Docklands.

The letter followed a meeting between management and union representatives yesterday afternoon. Another letter is understood to have agreed to direct-entry for advertisements.

The second letter reiterates the union's claim for 50-50 staffing with the other leading print union, Sogat '82, in the tele-ad area of the Post. However, it says the NGA would be willing to accept Trades Union Congress arbitration on this.

Mr Murdoch wants to print his News of the World and Sun newspapers, as well as the planned Post, at the £80m Docklands plant. Further, News International managers have said that if negotiations over the printing of the Post in Docklands go well they should be extended to cover the NoW and Sun.

However, it is not known whether News International will agree to do a deal with the unions on the basis of the NGA offer. Negotiations with the unions over the move to the Docklands plant have dragged on. An exasperated Mr Murdoch is determined to take a tough line. He wants the unions to accept four other points before any final agreement is reached. These are:

● Any agreement to be legally enforceable.

● Management to have the right to decide on the number needed to do each job. At present the print unions decide.

● A no-strike clause.

● No closed shops. Employees to have the right to join a union

Continued on Back Page

Laura Ashley comes to market

BY RICHARD TOMKINS

LAURA ASHLEY, the privately-owned company which has become a leading name in British fashion and design, is to be launched on the stock market next week through an offer for sale which will give it a market value of £269m.

The share issue, which City analysts expect to be heavily over subscribed, will raise £62.8m. Of the total, £36.8m will go to Ashley family interests and the Ashley Foundation, a charitable trust set up mainly to benefit children and medical causes. The remaining £23m net of expenses will be new money for the group.

Employees are each being offered £50 worth of shares free, and will also be given preferential rights to apply for up to 10 per cent of the 46.5m shares being offered.

The company was founded in 1953 by Mr Bernard Ashley and his late wife, Laura. In the last 30 years, it has grown from a small manufacturer of tea towels to an international design, clothing and furnishing group with 219 shops in 12 countries.

The proposed flotation was announced last summer. In September, Mrs Ashley, then deputy chairman, died. This has not affected the timetable for the listing.

The prospectus will be published on Monday. The shares being offered, of a nominal 5p each, represent 23.3 per cent of the enlarged share capital. The price will be 135p a share payable in full on application.

Laura Ashley's pre-tax profits have risen from £875,000 in 1980 to £14.1m in the year to last Janauary on turnover up from £25.4m to £96.4m. However, company expansion has increased borrowings to about £23m and it now needs capital to finance further growth.

Last summer, it started work on a £6.4m plant for textile and wallpaper production in Newtown, 11 miles from the group's headquarters in Carno, Powys. Ashley is also adding rapidly to the number of shops it operates.

City reaction to the terms of the offer yesterday suggested that it would meet with a warm response. Brokers reported a high degree of interest from institutions and private investors.

Kleinwort, Benson, the merchant bank, is sponsoring the flotation, which is underwritten by Grieveson, Grant, the stockbrokers.

Lex, Back Page

MARKETS

DOLLAR

New York lunchtime:
DM 2.57225
FFr 7.8395
SFr 2.10525
Y201.2

London:
DM 2.576 (2.593)
FFr 7.845 (7.9025)
SFr 2.105 (2.123)
Y201.4 (202)

Dollar index 127.5 (128)
Tokyo close Y201.75

US LUNCHTIME RATES

Fed Funds 8 1/16%
3-month Treasury Bills yield: 7.47%
Long Bond: 106 5/8
yield: 9.97%

GOLD

New York: Comex Dec latest $328.3
London: $328.5 ($326)

STERLING

New York lunchtime $1.4585
London: $1.454 (1.442)
DM 3.745 (3.74)
FFr 11.405 (11.395)
SFr 3.06 (3.06)
Y292.75 (291.25)
Sterling index 80.1 (79.9)

LONDON MONEY

3-month interbank:
closing rate 11 9/16% (same)
3-month eligible bills:
buying rate 11 9/16% (same)

STOCK INDICES

FT Ord 1,135.4 (+13.8)
FT-A All Share 699.64 (+0.5%)
FT-SE 100 1,451 (+7.9)
FT-A long gilt yield index:
High coupon 10.35 (10.41)
New York lunchtime:
DJ Ind Av 1,467.32 (+5.05)
Tokyo:
Nikkei 12,759.33 (+62.31)

Chief price changes yesterday, Back Page

CONTINENTAL SELLING PRICES: Austria Sch 15; Belgium Fr 42; Denmark Kr 7.25; France Fr 6.00; W. Germany DM 2.20; Italy L1,500; Netherlands Fl 2.50; Norway Kr 6.00; Portugal Esc 80; Spain Pta 110; Sweden Kr 6.50; Switzerland Fr 2.20; Ireland 55p; Malta 30c.

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For London market and latest share index 01-246 8026: overseas markets 01-246 8086

BASE LENDING RATES

ABN Bank	11½%	■ Guinness Mahon	11½%
Allied Dunbar & Co.	11½%	■ Hambros Bank	11½%
Allied Irish Bank	11½%	Heritable & Gen. Trust	11½%
American Express Bk.	11½%	■ Hill Samuel	§11½%
Henry Ansbacher	11½%	C. Hoare & Co.	11½%
Amro Bank	11½%	Hongkong & Shanghai	11½%
Associates Cap. Corp.	12 %	Johnson Matthey Bkrs.	11½%
Banco de Bilbao	11½%	Knowsley & Co. Ltd.	12 %
Bank Hapoalim	11½%	Lloyds Bank	11½%
Bank Leumi (UK)	11½%	Edward Manson & Co.	12½%
BCCI	11½%	Meghraj & Sons Ltd.	11½%
Bank of Ireland	11½%	Midland Bank	11½%
Bank of Cyprus	11½%	■ Morgan Grenfell	11½%
Bank of India	11½%	Mount Credit Corp. Ltd.	11½%
Bank of Scotland	11½%	National Bk. of Kuwait	11½%
Banque Belge Ltd.	11½%	National Giro Bank	11½%
Barclays Bank	11½%	National Westminster	11½%
Beneficial Trust Ltd.	12½%	Northern Bank Ltd.	11½%
Brit. Bank of Mid East	11½%	Norwich Gen. Trust	11½%
■ Brown Shipley	11½%	People's Trust	12½%
CL Bank Nederland	11½%	PK Finans. Intl. (UK)	12 %
Canada Permanent	11½%	Provincial Trust Ltd.	12½%
Cayzer Ltd.	11½%	R. Raphael & Sons	11½%
Cedar Holdings	12 %	Roxburghe Guarantee	12 %
■ Charterhouse Japhet		Royal Bank of Scotland	11½%
Choulartons**		Royal Trust Co. Canada	11½%
Citibank NA	11½%	Standard Chartered	‖11½%
Citibank Savings	§12½%	TCB	11½%
City Merchants Bank	11½%	Trustee Savings Bank	11½%
Clydesdale Bank	11½%	United Bank of Kuwait	11½%
C. E. Coates & Co. Ltd.	12 %	United Mizrahi Bank	11 %
Comm. Bk. N. East	11½%	Westpac Banking Corp.	11½%
Consolidated Credits	11½%	Whiteaway Laidlaw	12 %
Continental Trust Ltd.	11½%	Yorkshire Bank	11½%
Co-operative Bank	*11½%		
The Cyprus Popular Bk.	11½%		
Duncan Lawrie	11½%		
E. T. Trust	12 %		
Exeter Trust Ltd.	12 %		
Financial & Gen. Sec.	11½%		
First Nat. Fin. Corp.	12½%		
First Nat. Secs. Ltd.	12½%		
■ Robert Fleming & Co.	11½%		
Robert Fraser & Ptrs.	12½%		
Grindlays Bank	‡11½%		

■ Members of the Accepting Houses Committee.
* 7-day deposits 8.00%, 1-month 8.50%. Top Tier—£2,500+ at 3 months notice 11.25%. At call when £10,000+ remains deposited.
† Call deposits £1,000 and over 8.00% gross.
‖ 21-day deposits over £1,000 9.25%.
§ Mortgage base rate.
** See Provincial Trust Ltd.
§ Demand dep. 8%. Mortgage 13%.

French hope NZ will let saboteurs return home

By David Housego in Paris

HOPES WERE being expressed in France yesterday that the two French officers sentenced in Auckland to ten years imprisonment for their part in the blowing-up of the Rainbow Warrior would shortly be back in France.

But there was no firm evidence that the New Zealand Government was prepared to expel them in the near future. In official circles there is some anxiety that their imprisonment could drag on, thus exposing President Mitterrand's administration to fresh embarrassment.

Captain Dominique Prieur and Commander Alain Mafart, both agents of the French Intelligence services, were sentenced to ten years for their part in what Sir Ronald Davison, the New Zealand Chief Justice called a "deliberately planned act of a terrorist nature." The sentence was heavier than French public opinion had expected.

The courts must make it plain that persons coming into this country cannot expect a short holiday at the expense of the Government and return home as heroes," said Sir Ronald.

Mr Brad Giles, one of three lawyers for the French agents, told reporters it was "much too early" to talk about whether there would be an appeal.

French commentators yesterday qualified it with the prospect that the French agents would be soon released as a result of negotiations between the French and New Zealand governments. The two governments are already in talks over New Zealand claims for compensation in the affair and New Zealand clearly has an interest in winning French support for New Zealand lamb exports to the EEC.

Mr Paul Quiles, the French Defence Minister, said that the government would act to try "to settle the matter" as soon as possible and said he would welcome the officers' early expulsion from New Zealand. But he gave no indication that such a move was on the horizon.

Mme Prieur, who was allowed to speak to French broadcasting stations by telephone, said: "I wonder if the sentence today is caused by the pressure which has been exerted already. Perhaps by the media. Perhaps as a result of mistakes from one quarter or another."

The Socialist administration is in the dilemma that it cannot make pledges over lamb exports or other issues of interest to New Zealand which would be credible beyond next March when the Socialists are likely to be voted out of power.

President Mitterrand confirmed at his press conference on Thursday that the two officers had acted under official instructions. He is thus under pressure to secure their early release.

Plot shakes Dominican Republic leaders

By George Graham

THE discovery of plans by militant leftist to carry out a campaign of terror against leading conservative political figures in the Dominican Republic has profoundly shaken the political establishment there. At least seventeen people have been arrested by the police, including four Puerto Ricans, since the plot was disclosed on Thursday.

A police statement said they had uncovered plans to assassinate three prominent supporters of former conservative President Joaquin Balaguer. The hit list is believed to have been longer but no more details have been disclosed.

The Dominican Republic with a population of 5.7m is the most populous state in the Caribbean after Cuba and occupies a key strategic position in the region. Throughout this year the government of President Salvador Jorge Blanco has faced social unrest due to his efforts to impose a tough austerity package under the dictates of the International Monetary Fund. But this is the first suggestion of a terrorist campaign.

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US, Soviet envoys explain summit results

BY OUR FOREIGN STAFF

Murphy . . . briefing Israelis

US AND SOVIET envoys fanned out around the world within hours of the end of the Reagan-Gorbachev summit on briefing missions which in at least two cases have spanned the East-West divide.

Soviet Deputy Foreign Minister Mr Georgy Kornienko, who was a member of the Soviet delegation at Geneva, spent half an hour on Thursday night discussing the summit with President Francois Mitterrand of France.

Mr Mitterrand did not attend a pre-summit meeting of Western leaders with President Reagan in New York and sent his Foreign Minister, Mr Roland Dumas, to Thursday's post-summit briefing with Mr Reagan in Brussels.

Yesterday, Mr Edward Rowny, US ambassador for arms control, explained the US view of the summit to East Germany foreign ministry officials in East Berlin. He later flew on to Prague after telling reporters that his mission was "to explain our point of view."

The US embassy in East Berlin said that Mr Rowny "underscored the importance that President Reagan attaches to improving relations with the Soviet Union."

Details of the discussion at the summit on regional issues remained scarce yesterday but the report given to the Israeli Government by US Assistant Secretary of State, Mr Richard Murphy, indicated that the Middle East did not loom large.

According to the Israeli foreign ministry, Mr Reagan had once again stressed the need for direct negotiations between Israel and Jordan while Mr Gorbachev again emphasised the need for an international conference, as sought by Jordan and Syria.

At the same time, the US was paying attention to its relations with China by sending an assistant secretary of state, Mr Paul Wolfowitz, to brief Chinese leaders on the summit. Mr Wolfowitz will also visit Japan and South Korea.

● The Reverend Jesse Jackson, the US civil rights leader, yesterday accused the US-Soviet summit participants of exaggerating the results of the meeting, AP reports.

Mr Jackson was part of a delegation of peace groups that delivered petitions calling for a comprehensive nuclear test ban treaty and an end of human rights violations, to the US and Soviet embassies during the Geneva talks.

Mr Jackson, a former Democratic presidential candidate, praised President Reagan and Soviet leader Mikhail Gorbachev for agreeing to expand trade, improving their personal relations and increasing contacts between the two peoples.

"Because of low expectations with regard to the possibilities of this summit before it started, there is now a tendency to exaggerate the results and sense of satisfaction with the results," he said.

Senate approves nuclear pact with China

BY NANCY DUNNE IN WASHINGTON

THE SENATE swallowed its doubts about President Reagan's long-delayed US-China nuclear trade pact and paused during its deliberations on the farm Bill to pass by voice vote an amended version of the agreement.

The House is expected to pass the same version of the Bill. If it should fail to do so, the unamended agreement, initialled by President Reagan on a trip to China last year, would then automatically take effect. Both houses would have to veto the pact to defeat it.

Objections had been raised in the Senate by several members, who said the agreement was laced with ambiguities and loopholes, which rendered it insufficient to meet the nuclear non-proliferation goals of the US.

A coalition of 46 House members — liberals, conservatives and moderates—signed a letter of concern that nuclear weapons might end up in the hands of Pakistan, Iran or other "nuclear outlaws."

With time running out, members of both houses had only until December 11 to defeat it, opponents of the pact could not agree whether to limit it, redraw it, ask for further assurances or kill it.

Last week the foreign affairs committees of both houses agreed to approve the pact but attached new conditions, which the Administration said it would accept.

These require a 30-day waiting period for issuing export licences for US nuclear technology after a corporation has won a contract from the Chinese.

During this time, the President must certify to Congress that the Administration has clarified how the US will prevent China from diverting that technology to third countries, and that China has provided additional information concerning its non-proliferation policies.

Several Bills which address the perceived deficiencies of the pact have been introduced in the House, but none are likely to pass this year.

Inflation rate in US edged up 0.3% last month

By Nancy Dunne in Washington

US INFLATION edged up last month by 0.3 per cent, according to the Labour Department. But the rise was far less than had been predicted.

The department reported yesterday that the unadjusted consumer price index rose 3.2 per cent for the 12 months ending in October.

Mr Robert Orner, chief economist at the Commerce Department, called the new data "a pretty good report" and said that continued low inflation had allowed the recent decline in market interest rates.

The largest price rises last month were for clothing, entertainment and medical care.

Mr Henry Kaufman, chief economist of Salomon Brothers, said yesterday that while Federal Reserve policy has been "exceedingly accommodative," there have been several factors holding up a discount rate cut. However, he said he expects a reduction in the rate by January.

$250m may go on sinking oil platform

BY DOMINIC LAWSON

PHILLIPS PETROLEUM, the US oil company, is prepared to spend a further $250m in an attempt to save the sinking central platform of the Ekofisk oil and gas field in the Norwegian sector of the North Sea.

It emerged last year that the platform, the first to produce oil from the North Sea, was sinking at a rate of 45cm a year, as a result of subsidence in the chalk formations in the seabed under the platform.

Phillips has already undertaken a $150m programme for 1985/1986, in which many of the platform's facilities will be moved to higher decks, while 350m cubic feet of gas a day is being reinjected into the reservoir to prevent further subsidence. If there is further subsidence there is great danger that very high waves could destroy the platform, which produces 230,000 barrels a day of oil and 900m cubic feet a day of gas.

But a Phillips spokesman said in Norway yesterday that if the subsidence continued then a further $250m would have to be spent in 1987 at the latest.

Phillips said yesterday that one plan would be to jack up the platform from below the water line. A second option, put forward by Norsk Hydro, a partner in Ekofisk, is to sink four tankers on the seabed around the platform, to create a reef effect. Phillips said yesterday that early simulations of this technique had proved successful.

About half Ekofisk's originally recoverable oil reserves of 2bn barrels has already been produced.

Commission in fresh bid to expand EEC reforms

BY QUENTIN PEEL IN BRUSSELS

THE EUROPEAN COMMISSION is set to launch a last-ditch effort to expand the package of EEC reforms due to be presented to heads of government at their Luxembourg summit on December 2.

There are growing fears in Brussels that the whole exercise, launched at the last EEC summit in Milan to streamline decision-making and make the Community more relevant and democratic, is being watered down in negotiations to become irrelevant.

At the same time, the EEC leaders will be urged to set new deadlines for measures to build a "People's Europe," including scrapping frontier formalities and introducing a common European health card.

Mr Carlo Ripa di Meana, the European Commissioner responsible for institutional affairs, yesterday denounced the failure of the Council of Ministers to match the ambitions of the EEC leaders with action to scrap national barriers.

He called on pro-European organisations to demonstrate at national frontiers, and promised to set up a hot line for complaints at EEC offices throughout the Community.

Mr Ripa di Meana also warned of the shrinking size of the reform package in the inter-governmental conference, charged with amending the Community's founding Treaty of Rome, which reconvenes on Monday.

Earlier in a speech to the Royal Institute for International Affairs in Brussels, he spelt out the minimum conditions for an acceptable reform package:

● It must go beyond agreement on more political co-operation;
● It must put a strict limit on the subjects excluded from majority voting for completing the common market by 1992;
● The package should include reinforcement of monetary co-operation, technology, measures for boosting backward areas, and more democracy, as well as internal market reforms.

The Commissioner welcomed the positive changes in both British and Danish attitudes to the reform process, but he warned that France and West Germany remained "ambiguous." The contributions of neither government matched up to the personal commitments to the conference of President Mitterrand and Chancellor Kohl, he said.

Mr Ripa di Meana also warned of the tendency of member states to step up inter-governmental co-operation at the expense of EEC institutions —such as the French proposal to formalise the whole system of summit meetings.

He warned that if the reform package was too modest, and was unacceptable to the European Parliament, it could well be rejected by national parliaments and therefore be null and void.

Ceasefire halts fierce Beirut street fighting

By Nora Boustany in Beirut

A Syrian-mediated cease-fire took hold yesterday as night fell following two days of fierce clashes between Moslem militiamen for control of West Beirut.

A spokesman for the mainly Druze Progressive Socialist Party announced that joint security patrols were roaming the streets calling on militiamen to go home after the intervention of a Syrian intelligence officer.

Fierce street battles involving tanks, rocket launchers and anti-tank grenades had intensified during the day, delaying a planned trip by Mr Terry Waite, the special envoy of the Archbishop of Canterbury. Mr Waite is scheduled to leave Beirut for New York tomorrow for resumed meetings with US Administration and church officials.

Mr Waite spent yesterday in the Commodore Hotel, as Druze and Sunni Moslem militiamen fought a battle against Shi'ite gunmen at the entrance to the hotel. Gunmen had climbed from behind a wall ringing the hotel's backyard and swimming pool and taken up position inside and in front of the lobby, as newsmen and photographers filmed a raging battle.

The new Sunni-Druze alliance has grown out of Sunni Moslem bitterness over the growing influence of the Shi'ite Amal movement in a city, where the Sunni Moslem community once had dominated.

French TV to go multi-lingual

BY PAUL BETTS IN PARIS

Paul Betts in Paris reports on the controversial plans of the promoters of France's first private TV network

THE PROMOTERS of France's first private television network plan to broadcast their programmes in four different languages and turn the new channel into a European-wide television venture.

Mr Jerome Seydoux, the chairman of Chargeurs SA, the large private French group which owns UTA airline and is the leading investor in the new television channel, said yesterday the private network will be broadcast in English, Italian and another language, probably Spanish or German, as well as French. It is due to start transmission by the French direct broadcasting satellite TDF-1 set to be put into orbit next year.

Mr Silvio Berlusconi, the Italian television entrepreneur who has taken a 40 per cent stake in the new French channel, said yesterday he planned to turn Paris into a major production centre for European television programmes to compete with the US. He said he hoped other European groups would join the new French commercial television network. There were already advanced negotiations with Spanish broadcasting interests, he said.

President Francois Mitterrand gave the go-ahead earlier this week to France's first private commercial television network by granting the licence to operate the new channel to the Franco-Italian association involving Mr Seydoux and the French Schlumberger fortune and Mr Berlusconi.

The decision has provoked a major political controversy in France with the right-wing opposition parties accusing the Socialist government of trying to secure influence in the new private television channel before the general elections next March which the opposition is widely expected to win.

In their first press conference since the controversy errupted in France, Mr Seydoux and Mr Berlusconi outlined yesterday their new television project due to come on the air in France before February 20.

Mr Seydoux was at pains to defend his project as a commercial and non-political enterprise. To reassure the French film industry and the Press that the new channel would not undermine their businesses, he said the capital structure of the new television company had not been completed and it would be open to shareholdings by film producers and publishing groups.

The new network—France's fifth television channel after the three state owned channels and the Canal Plus pay television channel also indirectly controlled by the state — will cost FFr 1.5bn (£132m) to start up. The government has granted it special concessions to attract wider advertising revenues to finance its launch.

Mr Seydoux said the new channel would start airing about four hours of programmes a day at prime television times and gradually increase the total to around 18 hours a day. At the beginning, the new fifth channel does not intend to broadcast news programmes but these would eventually be developed.

The promoters of the new channel said they wanted to produce a "different television" from those French are familiar with. But they also emphasised they intended to ensure that the new network was also a "quality television." Apart from the political controversy, there has been considerable agitation in France in the last few days that the new channel would allow Mr Berlusconi to import into France what has been called "his spaghetti-Coca-Cola television."

13 killed in township clashes, say police

By Anthony Robinson in Johannesburg

THE official death toll in the violent clashes between police and demonstrators in the black township of Mamelodi near Pretoria on Wednesday rose to 13 yesterday when police reported finding bodies in various parts of the township."

Newly delivered police helicopters were used to monitor crowds during the violent clashes but police denied reports by local residents that police had fired on the crowd from them.

"No shots of any nature were fired from helicopters," a police spokesman said.

A local magistrate yesterday imposed a weekend ban on all funerals in the township which was reported to be tense last night.

The Mamelodi parents' organisation is seeking an urgent meeting with Mr Louis Le Grange, Minister of Law and Order, to complain that police gave no warning before shooting on a large crowd of mainly elderly people and youths protesting against a ban on funerals, high rents and the army and police presence in the township.

Police alleged that they had been "confronted by a particularly violent mob" and bombarded with petrol bombs and half-bricks. Residents said violence started when police fired teargas at the protesters.

The death toll was one of the highest in a single day in the past 15 months of anti-apartheid violence. The Government has confirmed more than 800 deaths, but the toll is thought to be more than 900.

Meanwhile, in Cape Town, police arrested three people after a grenade was thrown at a group of soldiers standing beside their armoured car near the Crossroads squatter camp.

A further 404 people were arrested under emergency regulations last week

Anthony Robinson reports on growing speculation that the African National Congress leader may be freed

The risks Pretoria would run in releasing Mandela

OF ALL the demands made on the South African Government none is more persistent or universal than the demand to release Mr Nelson Mandela, the 67-year-old leader of the banned African National Congress (ANC) who has been in jail for the last 22 years.

Whether in the form of defiant graffiti chalked on township walls, as a condition for calling off consumer boycotts or as recommendations from foreign governments and bankers, the essence is the same — release the man who has become the symbol of black resistance to apartheid.

Last January, during the opening of the new tri-cameral parliament, President P. W. Botha dropped his previous insistence that Mr Mandela could only be released into the obscurity of a homeland and offered to release him into South Africa proper, provided he agreed publicly to foreswear the ANC's policy, reluctantly formulated in the early 1960s, of violent overthrow of the Government and the apartheid system.

Once again Mr Mandela proudly refused to accept anything but his unconditional release. Since then the domestic and international pressures on South Africa have inexorably increased, and so has the belief that releasing Mr Mandela and negotiating with the ANC is an indispensable pre-requisite for meaningful black-white negotiations.

Three weeks ago Mr Mandela was taken from Pollsmoor Jail to a nearby Cape Town hospital and operated on for an enlarged prostrate gland. The operation was successful — but Mr Mandela has not been taken back to jail, fuelling speculation that the Government may be about to release him, on compassionate grounds.

Despite official denials speculation mounted this week when Mr Mandela's wife Winnie flew to Cape Town from Soweto, where she is living in defiance of an eight-year government banning order obliging her to live in a remote Free State village.

AN ANC spokesman said at the organisation's headquarters in Lusaka that he could not confirm that a new release offer had been made to Mr Mandela, Patti Walmeir writes from Lusaka. But he stressed that any offer which was conditional on the ANC leader remaining in exile would be rejected.

Her visit was followed yesterday by that of two lawyers acting for the Mandela family. But prison regulations required a "no comment" when asked whether they were bearers of a new government offer to their client.

While speculation continues over the timing of Mr Mandela's release, however, soberer voices are weighing up the possible consequences, and expressing serious doubts. For Mr John Kane-Berman, director of the Institute of Race Relations, the manner and context of release are the key issues.

The most superficially attractive option for the Government would be to release Mr Mandela but hastily bundle him out of the country to Lusaka or elsewhere and declare him a prohibited immigrant in the hope that after the initial clamour he would sink into obscurity like Mr Toivo ja Toivo. Mr Toivo, jailed leader of the South West Africa Peoples Organisation (Swapo) was released two years ago.

Such a move would not only be cruel to a man who has served 22 yaars in jail, it would also be very risky, Mr Kane-Berman believes. "That way he would become a king across the water, tha leader of a government in exile which would soon gain widespread international recognition." This would not only embarrass South Africa abroad but would put paid to hopes of a negotiated, democratic settlement to South Africa's political future.

The South African businessmen who went to Lusaka last month to meet ANC leaders, and who questioned them as to whether they would accept Mr Mandela's release and exile, are understood to hava recieved an affirmative reply, which they passed on to Pretoria. But the latest word from the ANC in Lusaka is they have changed their minds. Hitherto Mr Mandela has rejected such a condition.

It may be forced upon him. If so the risk is that Mr Mandela would take the next airplane back to South Africa and court immediate re-arrest.

But a similar risk exists if Mr Mandela were to be released unconditionally into South Africa and threw himself back into leading an organisation which is banned, as he has promised to do.

Under these circumstnces it appears virtually impossible to see how the Government could release Mr Mandela until such time as it has made up its mind to unban the ANC, release other jailed leaders such as Mr Walter Sisulu and Mr Govan Mbeki (jailed with Mr Mandela) and permit the return of ANC leaders in exile.

Before doing that however, it would have had to make up its mind about what exactly it was going to negotiate about — and the ANC has made clear that it is only prepared to negotiate a form of power sharing which would lead to a black majority in a unitary state based on one-man, one-vote. There is no sign that the Government is anywhere near such a radical *volte face*.

Nelson Mandela 20 years ago. The photograph is the one invariably used throughout the world in newspapers and on posters campaigning for his freedom, but hears no great resemblanee to his present appearance, as will he discovered if and when he is ever released from prison.

However, the discreet descriptions by people who have been permitted to visit him, originally on Rohbin Island and now in Pollsmoor, outside Cape Town, agree that his hair is white and his face heavily lined—he is after all 67.

They also agree (at least until his recent operation) that he has kept himself formidably fit. He exercises rigorously every day and has the physique, and general air of health, of a man many years younger.

South African inflation hits record high

SOUTH AFRICA's year on year inflation rate rose to a record 16.8 per cent in October, fuelling concern that the Government's recent package of tax relief and lower interest rates could lead to a further acceleration in prices as the economy recovers from the current trough, reports Anthony Robinson from Johannesburg.

The main impetus to higher prices in recent months has been rand depreciation working through into higher import prices on fuels and other inputs. Dr Gerbard De Kocks, Governor of the Reserve Bank, warned last week of higher inflation from this source in coming months, but said there was no inflationary pressure emanating from excess demand.

He ruled out fears that inflation might rise to between 20 and 30 per cent next year. Business economists however fear that inflation could reach these levels in 1987 once the economy recovers from its present depressed levels.

Meanwhile, the favourable impact of rand depreciation and recession on the foreign trade account is reflected in the latest trade figures which show a record R10.5bn surplus over the first ten months, compared with R2.7bn in the same period last year.

Preliminary figures from the customs and excise department show exports of R29.7bn and imports of R19.3bn.

● The Government's failure to impose tough trade sanctions on South Africa is "a source of deep disappointment" to Christians there, a white South African church leader said in London yesterday, PA reports from London.

Dr Bevers Nande, 70, General Secretary of the South African Council of Churches, said the recent mild sanctions by both President Reagan and the Commonwealth conference raised "serious doubts in our mind whather pronouncements expressing moral repugnance against apartheid were intended to be taken seriously."

Dr Naude, who was banned by the South African Government from 1977 to 1984 for bis anti-apartheid views, said British churches as well as the government, needed to give much stronger support to end the violence or apartheid as soon as possible.

Renault to stop car assembly in S. Africa

By Our Johannesburg Correspondent

RENAULT, THE French car maker, yesterday announced its decision to cease its South African car assembly operations at the end of this year, a decision which closely follows a similar decision by Peugeot earlier this week.

The decision to cease assembly of its Renault 9 and 11 models will "seriously affect" the position of Associated Vehicle Assemblers (AVA), formerly Leyland South Africa, which assembled the cars at its Elsies River plant near Cape Town which also assembles Landrovers and heavy trucks. Approximately 500 jobs will be lost in an area of high unemployment which has recently been affected by township violence.

Renault started assembly at the AVA plant in 1983 and had a 5.1 per cent share of the depressed South African car market. Peugeot, whose 504 and 505 model cars were assembled by Samcor, a joint venture between Anglo American Corporation and Ford, had only 1 per cent of the market and announced its decision to leave South Africa earlier this week.

Both companies investigated the possibility of co-operation but decided to leave the overcrowded market in view of "heavy losses and the continuing poor outlook for the car industry." Alfa Romeo announced its intention to leave South Africa two months ago following the example of Volvo, Fiat and Leyland Cars which have also pulled out in recent years.

Rand depreciation has introduced a new urgency into current rationalisation plans for the South African motor industry which is re-grouping into three or four main groups.

AP adds: While economic factors are the overriding factor in the pullouts, financial analysts say the growing pressure for disinvestment in the US and Europe have accelerated the exodus of marginal loss-making companies.

NEC to boost US output

By Carla Rapoport in Tokyo

NEC, one of Japan's leading electronics groups, yesterday outlined plans for a major expansion of its US prodnction in a move aimed at easing the continuing trade friction between Japan and the US.

Mr Koji Kobayashi, NEC's chairman, gave details of the increase following his return from a visit to a new colour television plant in Georgia. He said NEC's goal is to have 50 per cent of its US sales produced domestically within two to three years. This will caver NEC's range of products from home appliances to telecommunications, and NEC executive said yesterday.

NEC currently exports around $1.4bn (£970m) worth of goods to the US which accounts for about 70 per cent of its US sales. Mr Kobayashi said the new Georgia plant, for example, will double production capacity of colour television sets by next summer to 240,000 units a year.

He said the company expects to build a second plant by the end of next year to produce 48,000 units of speciality televisions. A third plant is planned for 1987 to produce 240,000 more colour television sets a year.

NEC also intends to increase its number of sales outlets in the US from 1,000 currently to about 5,000 by 1987. It is aiming to raise its market share in the US through increased domestic production. In colour televisions, NEC is aiming to command a 5 per cent share by 1988, compared to less than 1 per cent currently. In VTRs, it hopes to triple its share from 1 per cent to 3 per cent of the US market.

● Japanese production of cars, trucks and buses grew 17 per cent in October from a year earlier to a record 1.14m units, the Japan Automobile Manufacturers Association announced yesterday, AP-DJ reports from Tokyo. The previous record of 1,106,290 units was recorded last July.

Seoul warns of crackdown on dissident students

BY STEVEN B. BUTLER IN SEOUL

THE KOREAN Government yesterday issued its strongest warning yet that it would take stiff action against growing violence by anti-government student activists.

The warning comes after the Government issued formal indictments against all 191 students who participated in Monday's seizure and burning of a training institute of the ruling Democratic Justice Party. Previous government practice has been to issue indictments only against leaders of student actions, while applying more lenient measures to other participants.

Mr Chung Suk-Mo, Minister of the Interior, whose ministry controls the national police force, said in a statement, "We can no longer tolerate this anti-social, anti-national violence. No matter what sacrifice it takes, we must without fail eradicate campus violence and disordar."

Mr Chung said that a series of recent illegal sit-ins and occupations of public buildings and foreign offices was reminiscent of the extreme tactics of the Japanese Red Army Faction, and that student violence was weakening national defence and promoting the interests of North Korea.

Government officials say that the crackdown against student activists that began last spring had succeeded in reducing the frequency and size of student demonstrations, but that radical students are turning to more extreme actions.

The Government yesterday also issued indictments against six dissidents who entered the campus of Seoul National University on Thursday to take part in a debate over revision of the constitution. Opposition forces are seeking revision of the constitution to allow for direct election of the president, which they say is the only guarantee of a fair election in 1988, when President Chun Doo-Hwan's term of office expires.

S. Korea plans ambitious job creation programme

BY OUR SEOUL CORRESPONDENT

THE South Korean Government yesterday announced measures to spur job creation during the first half of 1986, in hopes of counteracting a sagging economy.

The measures mainly involve moving forward Won 1,300bn (£1.03bn) of construction projects, including housing and railroads, that the Government says will create 90,000 jobs.

In addition the Government plans to add 6-7,000 jobs to the government payroll — 4,700 in education, and 2,800 in state-owned corporations.

The South Korean economy expanded by 5.4 per cent during the third quarter, bringing growth for tha first three quarters of the year to 4 per cent. The pick-up in the third quarter, however, was mainly due to a 14.7 per cent expansion in the agro-fisheries sector. Growth in manufacturing was just 3.9 per cent, continuing a sluggish trend caused mainly by stagnant exports.

A revised GNP growth target for the year of 5 per cent seems increasingly remote, since this would require growth of 7 per cent during the fourth quarter. The Government initially hoped to achieve a 7.5 per cent GNP growth rate for the whole year.

The Korea Development Institute, a government-supported research institute, recently warned that unemployment would be the critical problem facing South Korea next year. Government economists say that South Korea needs 7 per cent annual growth to keep unemployment from rising.

Thatcher invites Ulster delegation

By John Hunt and Hugh Carnegy

MRS THATCHER has invited a representative delegation from the Northern Ireland Assembly at Downing Street next Tuesday in an effort to allay Protestant fears about the Anglo-Irish agreement.

She is also considering setting up new consultative machinery to keep the Ulster Unionists informed of the working of the inter-governmental conference with the Republic.

The invitation was given to Mr James Kilfedder, Speaker of the Assembly, who is Ulster Popular Unionist MP for North Down.

The Rev Ian Paisley, leader of the Democratic Unionists, and Mr James Molyneaux, leader of the official Unionists, are members of the assembly but it is not known if they will be in the delegation.

The Alliance party is also a member of the assembly but the Social Democratic Party and Labour Party and Sinn Fein are boycotting it.

The assembly has passed a resolution condemning the agreement as "an intolerable derogation of British sovereignty" and Mr Kilfedder invited Mrs Thatcher to address it.

In a letter released last night she said she could not accept the invitation at the moment, but she invited the delegation to Downing Street.

In Belfast, Unionist leaders are counting on a massive turnout at a rally called today to back their opposition to the agreement.

They have called for the biggest demonstration since the signing of the Ulster Covenant in 1921. Loyalist organisations have thrown their weight behind the rally and supporters will be bused in from all over the province.

The size of the rally will give some indication of the extent of grassroots Unionist opposition to the accord. The Orange Order expects around 100,000 people to jam the city centre to hear Mr Molyneaux and Mr Paisley.

In Dublin, Dr Garrett FitzGerald's Fine Gael-Labour coalition has been buoyed by the majority of 13 the agreement received in the Dail (lower House) on Thursday, one of the biggest majorities the government has won in three years.

Dr FitzGerald will be looking to close the 15-point lead the opposition Fianna Fail party has held in recent opinion polls. There are predictions in Dublin that the staunch opposition of Fianna Fail leader, Mr Charles Haughey to the agreement could cost his party up to five points in the polls.

● The Ulster Unionists' renewed attempt to challenge the agreement will be made in the High Court on Monday.

Their application for leave to seek judicial review of aspects of the accord will be made to Mr Justice Taylor at an open court hearing.

It follows the rejection by Mr Justice Mann on Thursday of the Unionists' initial documentary application.

BR passenger fares will rise by 8% in January

BY SUE CAMERON

BRITISH RAIL is to put up passenger fares by an average of more than 8 per cent in the New Year — more than the rate of inflation for this year which is expected to be about 6 per cent.

Price rises in London and the south-east and on British Rail's local and provincial services will average 7.5 per cent. But long distance season tickets and many standard tickets on InterCity will go up by around 10 per cent.

The higher fares, announced yesterday, follow the publication last week of BR's latest corporate plan which shows that its InterCity business is now expected to fall well short of the profit targets set for it by the Government.

Two years ago InterCity was told to aim for a £36m profit by 1988/89 and to cut its grant from the taxpayer to £86m by 1986/87 in the interim. But last week BR admitted that InterCity was likely to make a £36m loss in 1988/89 and to have a grant requirement of £90m in 1986/87.

But the corporate plan did show that BR was on course to meet its overall target of reducing its call on the taxpayer by 25 per cent in the three years to 1986/87.

The latest round of fare increases, set to start on January 12, are designed to help BR cut its subsidy from the taxpayer as well as to boost the disappointing performance of its InterCity sector.

But the price increases, which follow a series of fare rises this year, met with immediate criticism yesterday.

Mr Jimmy Knapp, general secretary of the National Union of Railwaymen, said Sir Robert Reid, chairman of British Rail, and the members of his board "should be dragged out of their comfortable ivory tower offices at Euston and forced to man ticket barriers for the next month to take the wrath of the customers at their miserable Chirstmas present."

BR said yesterday that the total yield from its fares increases would be less than the amount of money it was saving the taxpayers by cutting its grant.

Agreement on marketplace role

John Lloyd on a meeting between state industry chiefs and the Prime Minister

THE NATIONALISED industry chairmen who were meeting the Prime Minister for dinner last night had much in common. Groundwork over recent months, between their sponsoring government departments and the chairmen and their staffs, ensured that much in dispute had been resolved

Further, the Government and chairmen agree they both want more market-orientated, independent corporations which, where these stay in the public domain, will be expected to behave like commercial companies.

Last year this could not have been said. The Treasury's proposals for reforming the statutory framework governing the relationship between state and industries had aroused the chairmen's ire. It was seen as a plan to put them all under tight Treasury control and to keep them there in a straightjacket.

The ire was orchestrated well enough to force the Treasury to back off last autumn, to come back last December with revised proposals in a consultation document. This suggested new, more modest areas for reform, with the intention that this would be tied together into a bill for the present parliamentary session.

The reform envisaged was very much in the financial and accounting sectors—borrowing, report and accounts, and financial targets, with the appointment and dismissal of board members added for good measure.

Mr John MacGregor: no statutory framework

Much was uncontroversial. Recommendations for common reporting conventions and for giving board members contracts which allowed both for instant dismissal and higher salaries were unlikely to attract much argument from the chairmen.

More tricky have been proposals on financial targets and financial restructuring. The proposals called for these targets to have the force of law and for the state industries' balance-sheets to be restructured so that all of its reserves were capitalised both as debt and public dividend capital.

This would end the convention whereby profitable industries "lent" money to the Exchequer through the mechanism of negative external financing limits.

The chairmen have been all for a more liberal framework, more for it, indeed, than the Government. Their particular concerns have been to define just *who* their masters are: It is not so simple, these days, as saying that it is self-evidently the Government.

It became clear as talks continued that the Government's statutory framework would be a loose one. Then, last week, Mr John MacGregor, the new Chief Secretary to the Treasury, announced that there would be no statutory framework at all.

The privatisation programme, which has clear priority for the Government, had already squeezed the bill out of the 1985-86 session and now had squeezed it out of this parliament altogether.

Last night's dinner was unlikely to have decided anything in itself. It will lead to renewed talks between the chairmen and the Government until the differing statutory changes appropriate to each of them are agreed.

Liverpool using 'Micawber defence'

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

LIVERPOOL city council was proposing to advance a Micawber defence against an application next month to quash the rate it set in June, a High Court judge said yesterday.

Mr Justice Woolf had been told that when the rate was set the council knew the books would not balance immediately.

However, said Mr John Hendy for the council, the rate had been legal because the council had hoped and believed that by the end of the financial year the books would be balanced by means of capitalisation and government assistance

The judge said this was what might be described as Micawber defence. This is a reference to Charles Dickens's character, whose philosophy was that something would turn up.

The council had gone to court to ask for more time to enter evidence opposing a claim, by the National Union of Teachers and the National Association of Head Teachers, for an order that the rate was illegal and should be quashed.

The case is expected to be heard early next month. Last month the High Court ruled that the council had acted illegally in sending dismissal notices to its teachers.

Mr Justice Woolf, one of the three judges involved in that decision, said yesterday the council had then made it abundantly clear it had deliberately fixed an illegal rate. He gave the council another week to complete its evidence.

Liquidations continue at high level

COMPANY liquidations continue to run at a high level, according to Trade and Industry Department statistics issued yesterday. Last month's seasonally adjusted average, including compulsory and creditors' voluntary liquidations, was 1,213. This is 9.5 per cent down from the year's high of 1,341 but still above last year's annual average.

October figures are traditionally inflated by the backlog of cases caused by the High Court summer recess, the department said.

Personal bankruptcies showed scarcely any change last month. The three-month average stood at 570. Six months ago the average was 549.

Ceiling removed on aid for coal conversion

By Maurice Samuelson

THE Government yesterday abolished the ceiling on the amount of money available to help industry switch to coal from other fuels.

Mr Peter Walker, Energy Secretary, said he had removed the £75m limit on public expenditure on total grants. The scheme, due to expire at the end of the year, would run at least to June 1987.

The move coincides with the first hard evidence that the National Coal Board is beginning to break even. It did so last month after depreciation but before interest charges — the first time since 1979.

Speaking at a joint press conference at the board's headquarters with Mr Ian MacGregor, NCB chairman, Mr. Walker presented the extension of the grants scheme as part of his department's programme to improve Britain's energy efficiency. Welcoming the move, Mr MacGregor said it would help to expand the NCB's biggest potential growth market.

Both men viewed the scheme as part of the coal industry's recovery from the miners' strike. They said customers no longer appeared frightened that coal supplies would be disrupted by industrial action.

About 1,000 companies which considered converting to coal had pulled back during the strike, said Mr Walker. Mr Malcolm Edwards, the NCB's commercial director, said the board regarded these companies as "lost sheep" which had to be rounded up.

About £350m had been invested in coal-burning equipment since the launch of the grants scheme. Grants accounted for £67m, an investment which had resulted in more than 2.5m tonnes of new annual business for coal from the 380 projects already operating or under construction. An extra 1m tonnes a year would result from the 130 additional projects approved for grants.

Potential conversions to coal in the manufacturing and processing sectors could add a further 3m-4m tonnes a year to the industrial market of about 9m tonnes.

The scheme, set up in 1981, provides grants of up to 25 per cent of the cost of converting to coal or replacing existing oil or gas-fired industrial equipment. In addition, companies can apply for soft loans from the European Coal and Steel Community

Record price paid for a Constable

By Antony Thorncroft

A RECORD price for a Constable painting of £345,600 was paid yesterday by Leggatt Brothers, the London dealer, for A view of Hampstead, looking towards Harrow.

Christie's where the auction was held, sold the same picture in 1934 for 245 guineas.

A portrait of the actor David Garrick, attributed to Gainsborough, was unsold at £30,000 at the same auction. Adrienne Corri, the actress, wrote a book setting out to prove that Gainsborough painted the picture, which she discovered at the Alexandra Theatre, Birmingham. However, doubts about the artist's identity remain.

Overall, the auction of English pictures was a success, with receipts totalling £3m.

Eyes down for business as usual at Mecca Leisure

David Goodhart on the end of a 15-year link for an entertainment centres group

MECCA LEISURE has finally severed its 15-year link with Grand Metropolitan. But the team of four senior managers who are heading the buy-out were yesterday not celebrating a liberation.

When Mr Michael Guthrie, the chairman and chief executive, was asked about his plans for the bingo halls to holiday camps group he said it would be —more or less—business as usual.

That is perhaps not surprising as the successful restructuring of Mecca Leisure has been in the hands of the same four men since 1979.

The Mecca name was established by Mr Eric Morley and the Miss World competition and the group kept a strong independent identity after absorption into Grand Metropolitan in 1972.

By the time Mr Morley was forced to resign as chairman in 1978 the entertainments industry was becoming a more difficult place to make money. Faster diversification was needed out of the traditional base in bingo halls and night clubs.

That has been achieved in the past few years. The group's 92 bingo halls now account for only about 50 per cent of profit and turnover. Bingo attendances have been dropping fast (they were down 12 per cent last year) although the company maintains this is more than offset by the increase in the amount spent by players.

Most of the growth has been in the 63 entertainment centres including dance halls, night clubs, skating rinks, squash courts and snooker halls. There are 12 banqueting suites and several up-market restaurants and wine bars. Bingo and entertainments combined have received investment of £20m in the past two years.

Mr Guthrie is not unhappy with this package, but he admitted some changes would result from independence from Grand Metropolitan.

For example, divisional demarcations had blocked Mecca developments in bars and catering where possible competition with GrandMet's Holst or Berni Inns might arise.

Contract catering is an area he wants to see grow, but more important is the room for manoeuvre in the "new pub": pubs or wine bars, usually for younger people, which provide entertainment.

The other main area of change—already under way in some areas—is the better use of the Bingo Hall, now renamed the social club, signifying the wider provision planned. Mr Guthrie mused yesterday that there might be retailing opportunities in some of the bingo halls.

Mr Guthrie and his three partners stand to profit considerably from the buy-out. The £500,000 they are putting in will convert into £4m when the company is floated in a year to 18 months.

That might be described as a long service award. Apart from Mr Jeremy Long, the 32-year-old finance director, who joined Mecca in 1980, the others boast 65 years service to Mecca between them.

Mr Guthrie, 44, joined the company from Blackpool catering college in 1961—which perhaps explains his interest in "theme catering" in pubs. After moving up the catering ladder he became managing director of entertainment and then overall managing director in 1980 and chairman in 1981.

Management shake-up at stockbroking firm

BY JOHN MOORE, CITY CORRESPONDENT

HOARE GOVETT, the stockbroking firm which has forged a link with Security Pacific, the US bank, announced a big reorganisation of its management yesterday in preparation for the changes in the British securities market.

A seven-man executive committee is to be formed, headed by Mr Richard West, a senior director of Hoare Govett. Mr Anthony Greayer, who has been responsible for strategic planning at Hoare Govett for a year, is to take the post of deputy chief executive.

Mr. Peter Jenks will be finance director and four newly created managing directors will have responsibility for the major operating areas of the group.

These four named yesterday are Mr Johnny Brooks, to head UK equities and trading; Mr Nigel Johnson-Hill responsible for the international side; Mr Rodger Livesey, for debt instruments; and Mr Bob Cowell, in charge of global research and key clients.

The move anticipates changes in the Stock Exchange, rules likely in March 1986, allowing non-members of the exchange to sit on boards of member companies. Neither Mr Greayer nor Mr Cowell is a Stock Exchange member.

More delay in tin trading

BY ANDREW GOWERS

THE London Metal Exchange decided yesterday to keep its trading in tin suspended for another two weeks at least, as Mr Paul Leong, the Malaysian Primary Industries Minister, flew to London for talks on the tin crisis.

Mr Leong, who represents the world's largest tin producer, was on his way back to Malaysia from New York and was due to dine last night with Mr Peter Lai, his compatriot who is executive chairman of the International Tin Council.

The LME said it would keep tin trading suspended until December 6 at the earliest, to allow the council's 22 member governments more time to discuss its debts and a possible rescue package by creditor banks.

In New York, Mr Leong expressed fresh doubts as to whether the International Tin Agreement, under which the ITC operates, could ever be resurrected.

"How can you restore the effectiveness of the ITA when there is already a huge surplus of tin overhanging the market?" he asked.

Unit trust chief named

BY GEORGE GRAHAM

GARTMORE, the fund management group, is completing its reconstruction with the appointment of a new head for its unit trust operations.

Mr. Peter Pearson Lund, previously managing director of Henderson Unit Trust Management, will join Gartmore on Monday as managing director of Gartmore Fund Managers, which runs UK and offshore unit trusts totalling £450m.

Mr Pearson Lund will restore to Gartmore a marketing presence that has been missing since the abrupt resignation in April of Mr Adrian Collins from his post as managing director of Gartmore Investment Management, the parent company.

GIM is in turn controlled by Exco International, the money-broking group. Mr Collins's successor, Mr Paul Myners, moved to Gartmore from the institutional fund management division of N. M. Rothschild.

Mr Jeremy Edwards, chairman of Henderson Unit Trust Management, will resume the post of managing director which he vacated for Mr Pearson Lund last year.

Government makes £1bn debt issue

By Alexander Nicoll

THE Government took advantage yesterday of a modest bounce in the gilt-edged market to announce a £1bn debt issue, including an innovative conversion option designed to make it more attractive to investors.

The $10\frac{1}{4}$ per cent Exchequer conversion stock due in 1989 is being sold to the public by tender at a minimum price of 98.5 per cent, giving it a yield to maturity of 10.72 per cent.

Tenders are due at the Bank of England by the morning of November with payment of £40 per £100 due on that day, and the remainder on January 13.

The announcement of a new issue was not a surprise to the market, since steady sales of tap stocks over recent weeks have considerably reduced the amount of paper that the Government Broker has available to sell.

There was some surprise that the Government should issue a short-dated stock. Some City analysts deduced that it must assume that there would be no near-term rise in interest rates, since this would make acceptance of a large short-dated issue difficult.

The authorities always insist that each issue is priced strictly according to current market levels, providing no signal about interest rate trends.

The gilts market welcomed the new conversion feature of the stock. Instead of being convertible into one specified longer-dated stock, as many previous issues have been, it provides the investor with a choice between a 10 per cent due in 1996 or a $9\frac{3}{4}$ per cent due 2006, or any combination of the two.

The options provided by the conversion feature are designed to add extra value for the investor, and to save the Government the small extra interest cost it would have to pay on a four-year issue.

The double option may be particularly attractive given a confused outlook for both medium and long-dated stocks at present.

Engineering orders rise 4%

By Lynton McLain

ORDERS IN the engineering sector rose by 4 per cent in the three months to August compared with the previous three months.

Sales in the same period rose by 2 per cent. The increase reflected improvements in home and export markets. Order books remained steady.

Mechanical engineering sales rose by 3 per cent, reflecting increased UK sales. Orders on hand rose by $2\frac{1}{2}$ per cent, a rise in export orders more than offsetting a fall in home orders.

Net new orders rose by 16 per cent, described by the Department of Trade and Industry in its publication British Business as "erratic."

In the electrical and instrument engineering sector total sales rose by 1 per cent in the three months to August. This was a result of export sales rising by 3 per cent, while UK sales remained unchanged.

Order book volume and new orders at home and abroad fell by 2 per cent and 4 per cent respectively.

Orders in hand in the machine-tool industry rose by $7\frac{1}{2}$ per cent in the three months to August. This reflected growth in demand in home and export markets.

Sales of machine-tools fell by $2\frac{1}{2}$ per cent, with exports falling more sharply than home sales.

Andrew Gowers looks at the changing fortunes of the NFU under Sir Richard Butler

Farmers' union reaps a blighted harvest

SIR RICHARD BUTLER, who announced his intention to retire from the presidency of the National Farmers' Union this week, has not looked like a happy man for much of his seven years in the job.

And with good reason. He has presided over the union during a period of cuts in financial support from the EEC and the British Government, declining political influence, attacks from environmentalists and increasingly acrimonious bickering among members.

In the last couple of years, the fortunes of the NFU—traditionally regarded as one of Britain's most powerful lobby groups—have arguably reached their lowest ebb since the second world war.

There could scarcely be a starker contrast with the position in the 1970s, when British farming underwent its last big boom after the dramatic rise in agricultural prices in the wake of the country's accession to the EEC.

The mild-mannered and gentlemanly Sir Richard also stands in marked personal contrast to his predecessor, Sir Henry Plumb, the booming-voiced yeoman who steered the union through the mid-1970s.

The NFU represents 125,000 farmers in England and Wales — some 85 per cent of the total.

Founded in 1908, its heyday came in the more than 30 years after the war, during which it enjoyed strong political support, a growing range of public subsidies and a uniquely cosy relationship with the Ministry of Agriculture. Of late, however, the landscape has changed beyond all recognition.

Financially, the EEC — its budget stretched to breaking-point by the voracious appetite of the Common Agricultural Policy — is being gradually forced to set limits on the subsidy payments it can provide to farmers.

The introduction last year of milk quotas, to the accompaniment of a chorus of protest from the farming community, was the most dramatic illustration of that. Many farmers now fear similar developments in other surplus-ridden sectors, notably cereals.

Just as important from the British farmers' point of view has been the reversal of attitudes towards them in Whitehall over the past few years.

In the past the Ministry of Agriculture often looked like a law unto itself: before EEC entry, it negotiated annual price reviews with the farmers—frequently to their considerable advantage.

Yet since Mr Michael Jopling became Minister of Agriculture after the 1983 election, chill winds have been blowing.

Sir Richard Butler: presided during a period of cuts

Mr Jopling, himself a gentleman farmer in Yorkshire, has made it his business to tell farmers quite bluntly that the days of unlimited support are over.

He has accepted hefty cuts in nationally-funded aid to farmers, such as capital grants, agricultural research and advisory services. Many farmers regard him as a "soft touch" for the Treasury and for ideological opponents of the CAP.

More fundamentally, the tide of political opinion in general has moved against farmers. There are good statistical grounds for this.

The agricultural workforce has been steadily declining for decades under the influence of increasing mechanisation. It now represents only about 2.6 per cent of the total labour force — a smaller proportion than in any other EEC country.

It has been estimated that the maximum total voting strength of British agriculture is only about 840,000 people—about 2 per cent of the electorate. Only about 10 political constituencies in Britain are now seen as "agricultural seats" where 15 per cent or more of total adult male employees are directly involved in farming.

At the same time, farmers have been under attack both from consumers and taxpayers, objecting to high prices under the CAP and the growing mountains of unwanted food as well as from the increasingly influential environmental lobby.

The issue of straw-burning, which came to a head in the public consciousness two years ago, was a clincher. As a result, farmers began to be seen as neither benevolent guardians of the countryside nor — given the surpluses — vital purveyors of much-needed food.

Sir Richard himself, who has a reputation as a competent back-room politician, has shown signs of confusion in his approach.

In fact, he can take credit for quietly steering the union into a complete transformation of its own public attitude. The landmark was the publication in September of last year of a new policy document — The Way Forward. This acknowledged for the first time that agricultural expansion could not continue unchecked and that farmers should pay more heed to protecting the countryside.

Nonetheless, there has for some time been a feeling within the union that it needs to adopt a more assertive image and press for more radical solutions than it has hitherto been prepared to contemplate.

Sir Richard's likely successor, his present deputy, Mr Simon Gourlay, may fit this mould rather better.

Mr Gourlay has already given a foretaste of the future by swinging the union's support behind the idea of production quotas to curb the cereals surplus—a move which would have been unthinkable even a year ago.

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Mistake to pull out of Unesco, Heath warns

BY IVOR OWEN

A DECISION by Britain to quit the United Nations Educational, Scientific and Cultural Organisation would be a foreign policy error, Mr Edward Heath, the former Conservative Prime Minister, warned yesterday.

In a five-hour Commons debate he said such a decision would reflect the growth of "nasty, narrow-minded vandalism."

He said there could be no justification for deciding to act in the same way as the US which, as a reaction to its Vietnam defeat, was passing through a period of intense nationalism. It believed it "walks high and the rest of the world has to do what is commands," he said.

Mr Timothy Raison, Minister for Overseas Development, said a decision on withdrawal would be announced in the next month. He assured MPs their views would be carefully considered.

The Government gave notice of its intention to withdraw from Unesco 12 months ago.

Powerful speeches in favour of retaining membership were made from all quarters of the House. Even Sir Peter Blaker, a former Conservative Foreign Office Minister and a foremost critic of Unesco, suggested a compromise.

The notice of withdrawal should be suspended for a further period to maintain the momentum of reform which had already begun in the organisation, he said.

Mr George Foulkes, the chief Opposition spokesman in the debate, said the overwhelming view was against withdrawal. A decision to remain in Unesco would accord with the views of al the other members of the Commonwealth and by Britain's partners in the EEC.

Mr Raison did not dismiss Sir Peter Blaker's suggestion that the period of notice of withdrawal be extended but emphasised the practical difficulties involved in taking such a course. Continued membership would involve a contribution next year of £6.4m at the current sterling-dollar exchange rate.

Mr Raison brushed aside a suggestion by Mr Foulkes that the money if withdrawn, would probably be "clawed back" by the Treasury. He said he believed it would be retained within the British aid programme.

Insurance group attacks sales force licensing plan

BY ERIC SHORT

AN ATTACK on the proposed system for licensing life assurance and unit trust salesmen has been made by one of Britain's largest insurance groups.

Mr Arthur Duval, chief general manager of the Co-operative Insurance Society, writing in the Post Magazine & Insurance Monitor, described the proposed central registry of licence holders, with its blacklist of offenders, as a bureaucratic nonsense and quite unnecessary.

The investor protection proposals envisage that any organisation marketing life assurance and unit trusts — life companies, unit trust groups or insurance intermediaries would have to be authorised before being allowed to trade.

This authorisation would include compliance with minimum training standards, operating under a code of business rules and the organisation taking responsibility for its sales force.

The Marketing of Investments Board organising committee, the body set up to handle the marketing of investments — mainly life assurance and unit trusts — last August suggested a system of individual licensing of life assurance and unit trust salesmen.

Mr Duval claimed that authorisation in itself if properly monitored would provide the necessary investor protection.

Pringle plans £6m knitwear expansion

By Mark Meredith, Scottish Correspondent

PRINGLE of Scotland yesterday said it planned to invest £6m to establish a knitwear factory in Arbroath, northeast of Dundee, and to expand its plant at Hawick in the Borders.

About 530 jobs could be created in Arbroath, where unemployment is above 18 per cent.

Pringle, part of Dawson International, has benefited from the improved market for knitwear, especially for high-quality cashmere sweaters. Mr Peter Hughes, its financial director, said in Glasgow that the company was setting up in Arbroath partly because of the pool of skilled labour in that part of Tayside.

Under a two-phase expansion for Arbroath, Pringle will move into the former Braemar knitwear plant which closed about 10 years ago. The first phase involves investment of about £1.6m with 150 jobs created by the end of next year. Mr Hughes said the company then planned to spend a further £5m in two phases to build a total labour force of about 530.

● A bright short-term future for the textile industry in Scotland was forecast in a report issued this week by the Scottish Council, Development and Industry (SCDI), a lobbying group with members from public and private sectors.

The report said, however, that employment in textiles and clothes in Scotland was likely to fall in the medium to long term. Employment in the textile industry in Scotland fell by about 40 per cent between 1971 and 1981.

The jobs in this sector, today about 58,000, were almost as many as in the steel, coal and shipbuilding industries combined, or about 3 per cent of total employment in Scotland.

The report said producers would face greater competition from the expanded EEC and the relaxation of controls on imports from developing countries.

Speeding towards the age of the cross-Channel train trip

Andrew Taylor on the implications for French and UK rail systems of fixed link plans

THE ROLE of the British and French state-owned railways is becoming increasingly important in the run-up to the decision on whether to go ahead with plans to build a privately-financed fixed link across the Channel.

British Rail has already said it wants to spend up to £350m on track improvements, rolling stock and new station facilities if a rail crossing is built.

The two governments expect to announce by the end of January which of four groups bidding to construct a fixed link (all involve rail tunnels) will proceed. It seems almost inconceivable that the project will be abandoned and none of the schemes chosen.

The French, in particular, view the railways' role in the venture as crucial. Construction of a fixed link would mean that plans to extend the high-speed rail network, based on the TGV train (train a grande vitesse), from Paris to Brussels will almost certainly go ahead.

A fixed link would also raise BR's profile, linking the national rail network directly to the Continent where trains are more widely used to transport freight.

The groups bidding to construct the link have been pursuing BR and SNCF in the hope of negotiating deals on tariffs and traffic levels.

However, there are differences in approach between the state owned railways. SNCF is concerned about a fixed link's capacity to cope with an expansion in rail traffic. It would prefer a rail tunnel carrying BR and SNCF trains only.

BR believes it could share the crossing with a privately-operated rail shuttle which would ferry lorries, cars and coaches under the Channel. It appears to favour such a scheme proposed by Channel Tunnel Group although BR insists that negotiations with other groups are continuing.

SNCF may be more relaxed about requests from two other major contenders for the link, EuroRoute and Channel Expressway, which want the railways to guarantee a minimum level of traffic for the crossing. BR says the requests flout government guidelines that there must be no state financial guarantees to prop up the venture.

However, EuroRoute and Channel Expressway face other problems in convincing the railways about their commitment to a rail link. Both are proposing road schemes as well as a rail crossing.

EuroRoute originally proposed that its road scheme (an ambitious combination of bridges and artificial islands connected mid-Channel by a 21km road tunnel) should open 18 months earlier than the rail tunnel. Channel Expressway planned to run trains on rails embedded in one of two lanes of a twin bore motorway tunnel.

Both these proposals are still on the table but alternative versions have been proposed by EuroRoute and Channel Expressway in a bid to overcome some of the railways' reservations.

In EuroRoute's case this will involve a rail tunnel being completed at the same time as the road scheme but providing, as a first stage, single track working only. Channel Expressway has now offered a twin-bore rail tunnel as well as its motorway tunnel.

A problem these two schemes face is whether the rail element will generate sufficient income to justify its investment when it will be competing for passengers and freight with a road scheme running alongside. Hence the desire of the promoters to obtain minimum guarantees on rail usage.

Less is known about the position of the fourth scheme, a road bridge with a separate rail tunnel, proposed by EuroBridge. The group claims it will generate sufficient traffic on the road bridge to give the tunnel free to BR and SNCF. However, it has had great problems establishing its credibility with financiers and government officials.

The stakes are high. In addition to the four groups' plans BR has prepared its own shopping list of investment to support a fixed link.

This includes £50m for a new London terminal at the northern end of Waterloo station to include customs, immigration and other frontier facilities. About £10m to £15m will be spent improving Ashford station in Kent planned as an interchange for passengers travelling to the Continent but coming from areas outside London.

All investments will have to show a net rate of return of 7 per cent before the Government will proceed but a fixed-link will have to be chosen first.

BBC evidence on advertising disputed

BY RAYMOND SNODDY

A DISPUTE has started over the evidence being assembled for the Peacock committee, assessing funding options to the licence fee for the BBC. The row follows the corporation's claim this week that leading companies would not increase their advertising spending substantially if they could advertise on the BBC.

The BBC's evidence, a survey by Industrial Facts and Forecasts, suggested advertising budgets would rise by no more than an average 5 per cent even if the cost of television advertising were to drop by 30 per cent.

However, the Incorporated Society of British Advertisers, which represents principal advertisers, has now condemned the survey. The society said it was based on a false and misleading question.

Mr Kenneth Miles, the society's director, said leading industrialists were asked whether their advertising spending would rise, fall or stay the same if the cost of television advertising were to drop by 30 per cent.

He said: "Not only was this a totally hypothetical question but it was made worse by the fact that respondents were told that ISBA had forecast such a drop. This is totally untrue and ISBA has received an apology from those responsible for the research."

The society believes advertising on the BBC would bring a substantial rise in total advertising spending on television, a view advanced in its evidence to the committee.

New chairman at Centre-File

Mr Gordon Reeve has been appointed chairman of CENTRE-FILE, computer services subsidiary of National Westminster Bank, succeeding Mr Cyril Townsend, on his retirement on November 30. Mr Reeve, who retired on October 31 as general manager of NatWest's management services division, has also been appointed a director of the bank's outer London regional board from December 1.

*

Mr John Maguire has been appointed production director of BELSTAFF INTERNATIONAL, a subsidiary of the James Halstead Group.

*

With the initial launch of the Series 39 mainframe computers completed, Mr David Dace, director, mainframe systems, ICL, is taking on a new international assignment to identify opportunities for successful collaborations. His successor as director, mainframe systems, is Mr John Gardner. Mr Dace continues on the board of STC International Computers and other subsidiary companies. Mr Gardner was previously responsible for the overall business and marketing strategy within mainframe systems. He will join the board of STC International Computers.

*

Mr Henry Fenton has been appointed to the MOTHERCARE UK board as import/export director. He joined Mothercare in 1933 as import development executive.

*

The ROYAL BANK OF SCOTLAND GROUP has made the following appointments from December 1. Mr Peter E. G. Balfour, a vice chairman of The Royal Bank of Scotland Group, to be chairman of the Charterhouse Group; Mr M. Victor Blank to be chief executive of the Charterhouse Group and chairman and chief executive of Charterhouse Japhet. Mr Blank has also been invited to join the boards of The Royal Bank of Scotland Group and its principal operating subsidiary, The Royal Bank of Scotland, from the same date.

*

CENTRAL INDEPENDENT TELEVISION has appointed Sir Richard Bailey as chairman of its West Midlands regional board. Sir Patrick Nairne becomes deputy chairman. Sir Richard succeeds Mr David Justham, who became chairman of Central following the retirement of Sir Gordon Hobday at the end of this year. Sir Richard, who is currently deputy chairman of the West Midlands board, is chairman of Royal Doulton. He will join Central's main board. The appointments take effect from January 1.

*

Mr A. Michael Humpish has been appointed to the main board of NORTHERN ENGINEERING INDUSTRIES as managing director overseas group, replacing Mr J. T. Inglis who has left the company to pursue other business interests. Mr Humpish has been managing director of NEI Thompson, Wolverhampton, since November 1980. Before that he was purchasing director of Coles Cranes in Sunderland (1974-1980).

*

Mr Peter Stephens has been appointed public affairs director of TESCO STORES from January 1. He succeeds Mr Charles Lewis who is leaving Tesco on January 1 to take up the post of head of public and investor relations of RTZ.

ECONOMIC DIARY

MONDAY: CBI monthly trends inquiry (November). Balance of payments current account and overseas trade figures (October). EEC Foreign Affairs Council meets in Brussels (until November 26). EEC inter-governmental conference in Brussels. GATT contracting parties meet in Geneva (until November 29).

TUESDAY: EEC Budget Council meets in Brussels. Supreme Soviet in session (until November 27). Start of two-day Commons debate on Anglo-Irish agreement. US durable goods (October).

WEDNESDAY: Detailed analysis of employment, unemployment, earnings prices and other indicators. Dr Helmut Kohl, West German Chancellor, to visit London. Nordic finance ministers meet in Copenhagen. US merchandise trade (October). MEPC results. Unigate results.

THURSDAY: Overseas travel and tourism (September). Energy trends (September). New vehicle registrations (October). EEC Environment Council meets in Brussels. Royal Bank of Sctoland results.

FRIDAY: Company liquidity survey (third quarter). Finished steel consumption and stock changes (third quarter, provisional).

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UK NEWS—LABOUR

Return to work order by steel union attacked

BY HELEN HAGUE, LABOUR STAFF

SHEFFIELD steelworkers, on strike for six weeks at Sheffield Forgemasters, have been instructed to return to work by their union executive on terms which concede the company's proposals to abolish centralised shop stewards committee.

The company said yesterday that dismissal notices would be issued shortly to employees who remained on strike—though no timetable for implementing this strategy was given.

The Iron and Steel Trades Confederation's executive issued the back to work instruction after an exchange of telexes between the union and Forgemasters' management.

Striking ISTC members condemned it as a "sell out" by their union. Mr Ron Ward, the union's shop steward at the plant, resigned his post yesterday as he felt he could not issue the back to work instruction.

The ISTC strikers' deep disgruntlement with the instruction prompted a resolution calling for their union to release them from membership so that they could join other unions which would "better represent the interests of private sector steelworkers."

However, the ISTC workers plan to go back to work on Tuesday, if the union instruction is not lifted. This would significantly weaken the strike, and strike leaders acknowledge that such a return could lead to a speedy end to the stoppage.

There was some confusion yesterday over the telex sent by Mr Roy Evans, ISTC general secretary, to Mr Philip Wright, managing director of Forgemasters.

Mr Evans said that other unions—including the Amalgamated Union of Engineering Workers, the majority union at the site—had assented to the form of words, and would be recommending acceptance to members.

However, Mr Derek Simpson, the AUEW's district secretary in Sheffield, said no recommendation in favour of the instruction from his union's executive had been received, and that the strike was still official.

The ISTC return to work formula concedes that the long established practice of having a central shop stewards committee to negotiate for all workers at the site will go.

Forgemasters has recently restructured its business into 10 operating subsidiaries — each with responsibility for its own industrial relations.

Mr Ken Long, the local Transport and General Workers union official responsible for Forgemasters, said that any decision to call off the strike would be taken by the members involved not by a national level instruction.

A further mass meeting of all strikers has been called for Monday morning, after full time local union officials have met.

Mirror shutdown nearer

PREPARATIONS BEGAN yesterday for a shutdown of all Mirror Group Newspaper titles, on the instruction of Mr Robert Maxwell, the group's publisher.

The shutdown will take place if threats by several chapels (local offices) and London branches of the print union, Sogat, to disrupt production are carried out.

Sogat is demanding the withdrawal of dismissal notices issued three weeks ago as a pre-condition for negotiations, the statement confirmed.

In a bulletin to all staff yesterday, Mr Maxwell said that those who took industrial action would automatically dismiss themselves with a loss of all rights including notice pay, redundancy pay, and proposed early retirement benefit.

Members of any union in constructive negotiations will continued to be paid if a shutdown becomes necessary."

Raymond Hughes, Law Courts Correspondent, adds: Mirror Group Newspapers has no chance of obtaining a court order that the Thomson Organisation must continue printing Northern editions of the Mirror newspaper at its Withy Grove print works in Manchester after the end of this year, a High Court judge said yesterday.

Revoking directions he gave on Wednesday for the trial to start on December 9, Mr Justice Scott said that MGN had now told him, "with commendable frankness," that it had no intention of sticking to its printing agreement with Thomson Withy Grove beyond the next nine months.

NUM moves against new union

BY JOHN LLOYD, INDUSTRIAL EDITOR

LEADERS OF the National Union of Mineworkers in the Midlands area have formed a "federated board" to fight the influence of the Union of Democratic Mineworkers.

The leaders—from Nottinghamshire, Leicestershire, South Derbyshire, the Power Group, Warwickshire and the white collar section Cosa—held their first meeting on Thursday night. The grouping was revealed by Mr Trevor Bell, the Cosa general secretary, following a meeting of his general council in Derby yesterday.

Mr Bell made a series of allegations about the National Coal Board's bias towards the UDM, and the fact that the tactics of the two sides are "linked." The creation of the board, however, is an indication of the concern felt by leaders in that area over the continuing advance of the UDM, and their tacit recognition that Mr Arthur Scargill, the NUM president, has had little or no effect on stopping the defections to the new union.

Mr Bell said that the new board would raise the issues thrown up by the UDM through Labour MPs in the Commons. He said the pay offer to the UDM destroyed the former principle of basic wages keeping up with the cost of living, and loaded most of the increase onto productivity improvements.

● A legal move which could threaten the establishment of the UDM was launched in the High Court last night. Mr Justice Warner ordered an urgent hearing of an application by the former president of the South Derbyshire NUM for a court order requiring the disclosure of detailed voting figures in last month's ballot which approved the area's amalgamation with the breakaway union.

Mr Kevin Richards is making the application to obtain evidence of irregularities in the ballot as the basis for a formal complaint. The case is likely to be heard on December 2.

Joseph hint on teachers' pay inquiry

BY DAVID BRINDLE, LABOUR STAFF

SPECULATION grew yesterday that the Government is deliberately keeping open the option of an inquiry into teachers' pay and conditions of service.

This followed the sending of a letter from Sir Keith Joseph, Education Secretary, to Mr Giles Radice, the Labour Party's education spokesman, in which he said he was giving "detailed consideration" to Mr Radice's proposal for an inquiry.

Sir Keith had told Mr Radice in the Commons on Tuesday that it was not up to the Government to produce an initiative in the teachers' dispute and that "a review on pay only" was the last thing that would be contemplated.

The letter gave rise to speculation that ministers are considering offering an inquiry if there is no breakthrough in the dispute in England and Wales when the unions next meet. A meeting was fixed yesterday for December 5—three days after the college lecturers' union, Natfhe, loses its vote on the union panel.

Railworkers end Swindon closure fight

BY DAVID BRINDLE, LABOUR STAFF

WORKERS at the Swindon workshops of British Rail Engineering (Brel) have voted to end opposition to their planned rundown and closure.

A ballot declared yesterday showed 707 to 591 in favour of giving union negotiators a free hand and lifting remaining sanctions.

Mr Graham Humphries, works committee chairman, said: "We just cannot bury our heads in the sand. But the size of the vote against shows there is still a lot of bad feeling."

Closure of the historic Swindon workshops, which employ 2,300, was announced in May.

The workers, backed by the local Thamesdown Borough Council, have been boycotting talks with Brel on the rundown and alternative employment measures. However, other Brel workshops have not supported the anti-closure fight.

Under present redundancy terms a 30-year-old worker with 14 years' experience is likely to be given about £7,400

The Investment Trust Table

The figures in the columns below are based on information supplied by the companies named, which are members of The Association of Investment Trust Companies. The figures are unaudited.

Columns (1)–(6): as at close of business on Monday 18th November 1985. Columns (7)–(12): as at 31st October 1985.

Total Net Assets (1) £million	INVESTMENT POLICY Trust (2)	Management (3)	Share Price (4) pence	Yield (5) %	Net Asset Value (6) pence	Geographical Spread UK (7) %	Nth. Amer. (8) %	Japan (9) %	Other (10) %	Gearing Factor (11) base=100	Total Return on N.A.V. over 5 years to 31.10.85 (12) base=100
	CAPITAL & INCOME GROWTH										
429	Alliance Trust	Independently managed	662	3.9	853	43	43	8	6	89	271
105	Bankers	Touche, Remnant	100	3.6	123	41	36	11	12	104	269
249	Border & Southern	John Govett	179	2.9	235	61	8	12	19	109	232
74	Brunner	Kleinwort Benson	82	3.8	105	49	29	4	18□	96	241
88	Charter Trust & Agency	Kleinwort Benson	85	3.8	108	68	21	10	1	91	243
132	Continental & Industrial	Schroder Inv. Man.	655	4.4	764	63	30	2	5	98	232
534	Edinburgh Investment (w)	Dunedin Fund Managers	120	3.9	155	59	21	9	11	104	243
599	Foreign and Colonial	Foreign & Colonial	69	2.9	91	39	31	15	15	107	234
785	Globe	Electra House Group	303	4.8	397	66	24	6	4	103	247
292	Philip Hill	Philip Hill	262	5.3	302	75	23	–	2	92	229
9	Jos Holdings	Kleinwort Benson	135	3.8	153	79	11	3	7	100	263
41	Keystone	Warburg Inv. Man.	410	3.5	521	58	18	11	13	110	240
31●	London & Strathclyde	Gartmore	170	2.0	195	63	26	4	7	101	219
46●	Meldrum	Gartmore	192	3.7	230	86	10	4	–	94	271
104	Outwich	Baring Brothers	147	3.0	191	64	12	14	10	100	230
120	Raeburn	Lazard Brothers	360	3.9	437	58	30	7	5	94	230
85	River and Mercantile	River & Merc. Inv. Man.	145	5.4	174	53	34	9	4	96	245
45	River Plate & General (w) △	Tarbutt & Co.	240	4.5	271	79	11	–	10	97	207
38	S. & P. Ret. of Assets (w) △	Save & Prosper Group	99	1.1	144	81	19	–	–	154	†
389	Scottish Mortgage	Baillie, Gifford	401	2.7	508	50	22	18	10	101	286
208	Scottish National	Gartmore (Scotland)	252	2.7	303	57	25	10	8	96	225
142	Second Alliance	Independently managed	568	4.1	734	41	44	8	7	92	270
451	TR Industrial & General	Touche, Remnant	159	3.4	210	48	23	19	10	102	220
407	Witan (w)	Henderson	167	2.4	212	61	23	10	6	105	264
	United Kingdom										
12z	City of Oxford	Hambros Bank	246	4.2	285	99	1	–	–	95	241
38	Fleming Claverhouse	Robert Fleming	295	4.3	376	100	–	–	–	99	267
63	Shires (w)	Stanecastle Assets	211	8.9	212	84	13	2	1	76	195
123	TR City of London	Touche, Remnant	101	5.5	121	91	9	–	–	101	260
98	Temple Bar	Guinness Mahon Inv. Man.	139	5.1	170	98	2	–	–	93	278
	CAPITAL GROWTH										
	General										
212	Anglo-American Securities	Morgan Grenfell	286	2.8	375	46	36	15	3	103	†
55	Ashdown	Schroder Inv. Man.	137	3.1	167	64	22	9	5	95	214
169	Atlantic Assets	Ivory & Sime	108	0.7	137	35	63	–	2	91	211
67	Electric & General	Henderson	300	1.7	367	52	32	10	6	99	257
26	Greenfriar (w)	Henderson	270	0.8	279	63	15	10	12	112	319
	International										
74	Berry	GT Management	167	0.9	200	50	23	8	19	106	255
112	English & New York	Kleinwort Benson	110	3.2	133	10	46	14	30	101	233
79	English & Scottish	Gartmore	77	2.4*	95	46	16	13	25	90	224
19	F & C Eurotrust	Foreign & Colonial	167	1.5	162	5	–	–	95	93	260
201	Fleming Overseas	Robert Fleming	112	3.5	148	6	53	15	26	100	227
67	Fleming Universal	Robert Fleming	306	2.3	398	15	51	14	20	98	214
62●	Gartmore Inform. & Fin. (w)	Gartmore	49	3.2	62	58	41	–	1	118	197
25Ø	Group Investors (w)	C S Investments	236	2.5	294	52	41	8	4	94	262
129	Hambros (w)	Hambros Bank	170	3.6	212	54	35	5	6	108	210
180	Investors Capital Trust	Independently managed	253	2.1	283	36	36	17	11	100	211
17●	London & Gartmore	Gartmore	253	1.4	311	44	35	–	21	97	216
10	Mid Wynd International	Baillie, Gifford	153	2.0	182	22	34	16	28	97	†
158	Monks	Baillie, Gifford	156	2.2	203	31	27	26	16	95	245
203	Murray Growth	Murray Johnstone	115	1.7*	132	44	37□	10	9	87	†
81	Murray Smaller Markets	Murray Johnstone	217	1.7*	252	19□	8□	16	57	101	271
6	Nordic △	GT Management	47	–	56	–	–	–	100	103	†
63	North Atlantic Securities △	Morgan Grenfell	274	1.8	324	1	55	31	13	96	†
118	Northern American	Dunedin Fund Managers	270	2.9	350	24	36	27	13	97	†
30	Northern Securities	GT Management	169	1.9	211	62	20	1	17	118	224
100	Romney	Lazard Brothers	290	2.8	333	33	35	15	17	96	232
264	Scottish Eastern	Martin Currie	92	3.1	118	55	21	13	11	107	339
357	Scottish Investment Trust	Independently managed	302	2.6	362	39	33	13	15	103	224
74	Trans-Oceanic	Schroder Inv. Man.	156	3.1	204	43	36	12	9	95	212
79	Tribune	Baring Brothers	115	2.9	150	47	24	15	14	89	255
211	U.S. Debenture Corp.	GT Management	221	4.2	277	59	33	9	9	105	220
	North America										
139	American	Edinburgh Fund Mgrs.	132	3.2*	160	27	73	–	–	98	202
138	Edinburgh Amer. Assets	Ivory & Sime	102	0.6	127	26□	67	2	5	112	249
124	Fleming American	Robert Fleming	465	1.6	587	1	99	–	–	94	214
30	Gartmore American Secs.	Gartmore	117	1.5	146	24	60	7	9	98	259
143	Stockholders	John Govett	126	2.8	158	30	69	–	1	95	177
61	TR North America	Touche, Remnant	89	2.9	111	7	93	–	–	111	222
	Far East										
27	Drayton Far Eastern (w)	MIM	136	1.2	157	5□	–	61	34	99	†
109	F & C Pacific (w)	Foreign & Colonial	143	1.2	190	13	23	38	26	102	197
169	Fleming Far Eastern	Robert Fleming	84	1.8	111	2	–	70	28	93	239
168	Lake View	John Govett	151	3.4	181	21	–	63	16	102	220
6	New Australia △	Edinburgh Fund Mgrs.	82	2.6	98	15□	–	–	85	85	†
13	Pacific Assets (w)	Ivory & Sime	75	–	90	41□	–	–	59	72	†
50	Pacific Investment (w) △	Thornton & Co.	82	0.6	100	8	–	61	31	101	†
33	TR Australia (w)	Touche, Remnant	87	3.5	107	14	–	–	86	67	201
115	TR Pacific Basin (w)	Touche, Remnant	121	1.2	154	5	–	74	21	96	261
	Japan										
32	Baillie Gifford Japan (w) △	Baillie, Gifford	258	0.3	297	–	–	100	–	92	†
9	Baillie Gifford Shin Nipp. (w)	Baillie, Gifford	46	–	54	–	–	100□	–	58	†
60	Crescent Japan	Edinburgh Fund Mgrs.	147	0.8	170	–	–	100	–	104	390
137	Drayton Japan	MIM	414	0.7	506	5□	2	92	1	93	†
58	Fleming Japanese	Robert Fleming	442	1.3	572	3	–	97	–	87	272
55	GT Japan	GT Management	122	1.6	150	7□	3	86	4	110	337
46	Japan Assets (w)	Ivory & Sime	45	0.2	56	18	–	82	–	90	†
47	New Tokyo (w)	Edinburgh Fund Mgrs.	180	0.7	220	–	–	100	–	95	†
	Commodities & Energy										
6●	City & Foreign	MIM	111	–	148	16□	84	–	–	89	†
8	New Darien (w)	Hodgson Martin	66	0.7	79	36	56	–	8	95	†
17	Precious Metals △	J. Rothschild	105	0.7	128	10□	52	1	37	88	†
95	TR Natural Resources	Touche, Remnant	206	5.2	285	43	34	–	23	92	156
	Comm. & Energy (cont.)										
38	Viking Resources	Ivory & Sime	63	2.7	93	51	49	–	–	98	94
14	Wemyss	Edinburgh Fund Mgrs.	522	6.0	602	47	29	–	24	89	152
26	Winterbottom Energy	Baillie, Gifford	88	1.1	104	10□	55□	15	20	71	144
	Technology										
10	Baillie Gifford Tech. (w)	Baillie, Gifford	70	1.7	91	54□	42	1	3	53	†
71	Fleming Technology	Robert Fleming	142	2.3	178	45	33	18	4	94	210
86	Independent	Ivory & Sime	260	0.3	307	37	60	–	3	99	†
293	TR Technology	Touche, Remnant	88	2.8	122	43	39	14	4	101	222
	INCOME GROWTH										
289	British Assets	Ivory & Sime	221	4.9	277	55	42	–	3	103	253
180	Drayton Premier	MIM	516	4.0	570	70	19	8	3	94	†
115	First Scottish American	Dunedin Fund Managers	290	4.4	362	61	11	7	1	99	272
61	General Consolidated △	Philip Hill	286	5.0	325	69	28	–	3	89	254
29	Lowland	Henderson	114	3.5	111	89	5	–	6	102	409
135	Merchants	Kleinwort Benson	106	5.1	131	57	25	7	11	91	231
137	Murray Income	Murray Johnstone	134	5.8*	153	77	11□	–	12	97	306
229	Murray International	Murray Johnstone	142	4.5*	174	47	36	9	6	87	269
155	Securities Trust of Scotland	Martin Currie	140	4.9	172	58	25	11	6	107	260
	SMALLER COMPANIES										
40	English & International (w)	MIM	137	3.6	165	63	24	8	5	109	†
59	F & C Alliance	Foreign & Colonial	87	2.8	113	50	28	14	8	105	222
13	Family	Kleinwort Benson	240	4.3	300	97	2	–	1	97	284
8	First Charlotte	Ivory & Sime	10	0.7	11	96	1	3	–	98	†
18	Fleming Fledgeling	Robert Fleming	107	3.3	141	74	23	3	–	90	225
27	General Stockholders	John Govett	145	2.5	184	52	46	1	1	100	167
54	Glasgow Stockholders	Gartmore (Scotland)	122	2.5	138	51	34	4	11	95	211
27	London Atlantic	Investors in Industry	172	5.1	226	71	15	–	14	94	236
18	Moorgate	Philip Hill	326	5.0	382	93	2	–	5	93	305
18	North British Canadian	Investors in Industry	206	4.4	267	93	5	–	2	102	262
62	St Andrew	Martin Currie	118	3.4	150	58	26	13	3	93	250
189	Scottish American	Stewart, Ivory	277	3.0	337	48	33	11	8	92	224
34	Smaller Companies Int.	Edinburgh Fund Mgrs.	70	2.4	67	52	28	20	–	94	253
193	TR Trustees Corp.	Touche, Remnant	150	3.6	196	67	26	6	1	110	223
202	Throgmorton (w)	Throgmorton Inv. Man.	259	4.1	305	88	10	1	1	113	266
	SPECIAL FEATURES										
62	Ailsa △	J. Rothschild	100	2.6	120	47	25	16□	12□	91	†
13●	Consolidated Venture (w)	MIM	103	1.2	129	8□	92	–	–	67	†
141●	Drayton Consolidated	MIM	327	4.4	407	71	21	5	3	91	†
20	Edinburgh Financial (w)	Stanecastle Assets	41	3.1	46	66□	8	5	1	116	†
36●	Fleming Enterprise	Robert Fleming	288	4.2	362	99	1	–	–	98	273
254	Fleming Mercantile	Robert Fleming	131	3.3	164	55	27	8	10	99	226
19	GT Global Recovery △	GT Management	130	2.2	154	73	17	–	10	115	†
46	Murray Ventures (w)	Murray Johnstone	320	2.5	368	71□	10	6	13	87	256
79	Nineteen Twenty-Eight △	London & Manchester	170	2.9	213	95	5	–	–	95	219
8●	Stewart Enterprise (w)	Stewart, Ivory	38	1.5	49	59	27	9	5	94	†
92	TR Property	Touche, Remnant	151	3.4	192	68	18	4	10	101	209
	SPLIT CAPITAL (x)										
23	Altifund 86/88	Gartmore	533	0.1	627	98	2	–	–	93	275
2	Child Health 87	Thornton & Co.	295	–	348	54	6	17	21	116	241
38	City & Commercial 86/93	MIM	648	–	913	88	5	6	1	113	256
33	Dualvest 85/87	MIM	1207	–	1410	91	8	1	–	106	†
30	Fundinvest 85/90	MIM	325	–	419	86	6	7	1	107	†
2	Marine Adventure 88	Thornton & Co.	175	–	222	49	8	19	24	125	†
36Ø	New Throg. (1983)(w) 08	Throgmorton Inv. Man.	35	–	117	100	–	–	–	152	†
34	S. & P. Linked 95/97	Save & Prosper Group	329	–	604	100	–	–	–	119	323
20	Throg. Secured Growth –	Throgmorton Inv. Man.	323	–	399	100	–	–	–	69	198
84	Triplevest 87/91	MIM	820	–	1171	89	10	1	–	110	†

NOTES TO THE TABLE

† No data.
* Applies to Ordinary/"A" Ordinary only.
□ More than one quarter in non-equity investments.
(x) Capital shares and winding-up dates.
z Incorporates recent revaluation of unlisted investments.
ac Adjusted for scrip issue.
ar Adjusted for rights issue.
(q) Published quarterly.
(w) Company has warrants or options in issue.
● More than 20% in securities or other assets included at directors' valuation.
△ The Trust has provisions for a limited life. Please refer to the company for further information.
Ø Figures not directly comparable with previous month.

Cols. 1, 4 to 6 Figures supplied by Wood Mackenzie & Co. Ltd. members of The Stock Exchange. The figures in Cols 1&6 are simulated to date shown based on latest valuation supplied by the companies and made available to The Stock Exchange.

Col. 11 The gearing factor indicates the percentage amount by which the net asset value per share would rise if the value of the equity assets increased by 100 per cent. Further explanation is given in the booklet 'More for your money.'

Additional explanatory notes are available on request from The Secretary, The Association of Investment Trust Companies, Park House (6th Floor), 16 Finsbury Circus, London EC2M 7JJ. Tel: 01-588 5347.

INDICES OF FIVE YEAR TOTAL RETURN

+	Investment Trust Average	236
	F.T.–Actuaries All-Share	262
●	Standard & Poors Composite	299
*	Tokyo New Stock Exchange	366
*	Capital International World	293

+ Excludes split capital.
* Adjusted for exchange rate changes.

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The future of manufacturing

WHATEVER ONE'S views about the appropriate policy response, it is hard to dissent from the argument set out in this week's National Institute Economic Review: "Any future which holds out the hope of rising prosperity for the economy as a whole and a move back to full employment must include a reversal in the decline of manufacturing industry." The National Institute accepts that there is nothing especially virtuous about manufacturing as opposed to services and in any case the statistical definitions of these two activities are becoming increasingly blurred. But the authors of the review are surely right to emphasise the need for "a technically sophisticated high productivity sector competing successfully in world markets."

There are some branches of British industry which already meet this test and have done so over many years; pharmaceuticals is an obvious case. Moreover, the upheaval of the past few years have had the effect of cutting out a great deal of uncompetitive capacity and of sharpening up the quality of management.

The need to survive forced companies to take a ruthlessly critical look at their methods and their activities, concentrating on those areas where they could achieve and sustain an internationally competitive and profitable position. There is a very long way to go both in the reform of working practices on the shop floor and in the performance of management generally. But the progress will not be maintained without the stimulus of competition. It may be that in Britain rivalry between companies in the same industry sometimes takes a more gentlemanly, even collusive form than, say, in the US or Japan. Thus it is all the more important for the Government to develop a stronger competition policy and to fight vigorously for freer trade within the European Community.

'Nowt for nowt'

On wage increases, for example, which were one of the main topics for discussion at the Conference of British Industry's conference earlier this week, changes in management behavior are more likely to be brought about by external pressure than by conference resolutions. The principle of "nowt for nowt," which was strongly urged by the CBI's director general, is being put into practice, or at least attempted, by Ford UK. Under a two-year pay offer put to the unions this week, additional pay rises above a basic 3 per cent increase will be paid only in return for radical changes in working practices. It is no coincidence that Ford faces fierce competition throughout Europe not only from the five other EEC leaders but also from a Japanese industry which has a clear advantage in manufacturing costs.

Some of the most striking recent advances in manufacturing efficiency have been achieved by foreign-owned, especially Japanese, firms, and the National Institute is right to favour an inflow of capital leading to more foreign participation in the ownership and management of British industry. "If foreign firms can demonstrate that production in Britain can be competitive in international markets, that in itself will do much to dispel the defeatism that has afflicted much of industry in recent years." There is, of course, a big difference between the marginal branch factories set up by some foreign companies and the real commitment to the UK shown by firms like IBM. But, given the appropriate degree of commitment, foreign-owned companies can make a valuable contribution to upgrading the quality of management and enlarging the pool of skilled manpower.

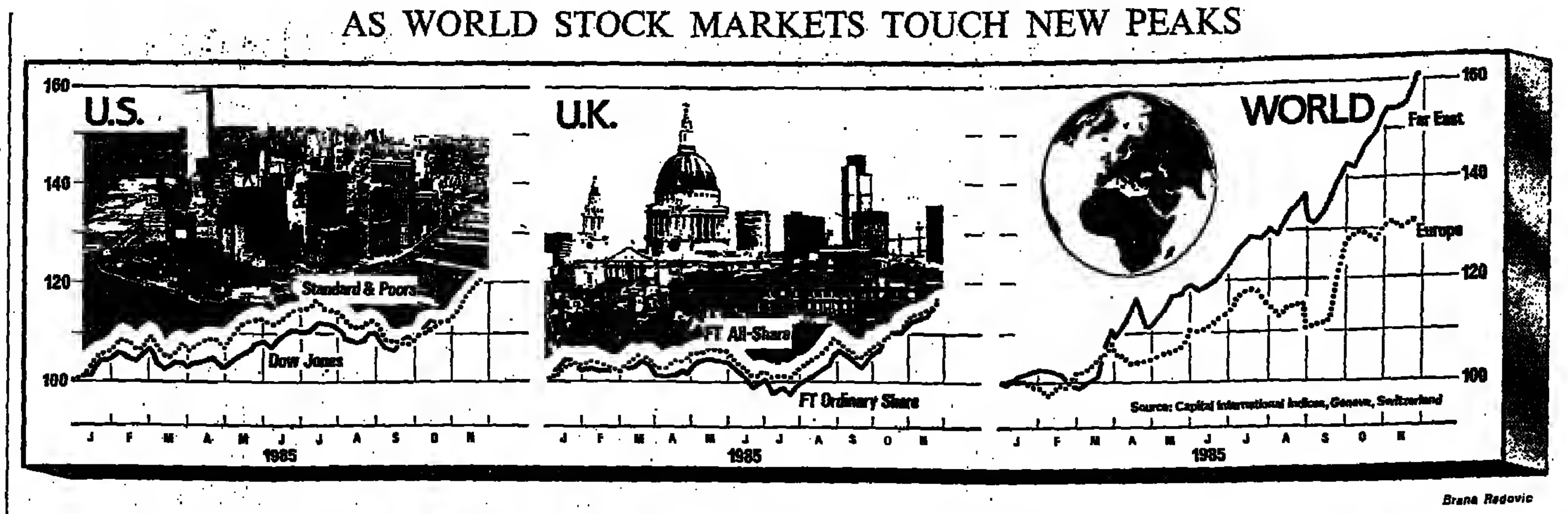
Training

Industry has to put its own house in order and not look to government for solutions to its problems. But there is one field in which a partnership between government and industry is essential, and that is training. Deficiencies in the quality of skilled manpower, from senior manager through foreman to shopfloor operator, are probably the single most important cause of low British productivity. The National Institute suggests a major public initiative in training and retraining, comparable in scale to the Youth Training Scheme.

Yet the most important contribution the Government can make towards the revival of manufacturing industry is through fostering a climate in which entrepreneurial activity will flourish. Few would deny that the climate is far more favourable than it was six years ago. This is reflected in, among other things, the creation of more small businesses and in the continuing vogue for management buy-outs, whereby large corporations spin off unwanted subsidiaries to their managers; both categories have been well served by new sources of finance in the City.

The question now is whether the managers who have come through the last few years, and the new entrepreneurs who have established themselves, can raise their sights above the short-term pressure to survive and build large, internationally competitive enterprises. This requires not only stable Government policies and free access to markets in Europe and elsewhere, but also a lifting of spirits among businessmen, replacing the defeatism to which the National Institute referred with a long-term vision of what can be achieved in world markets.

AS WORLD STOCK MARKETS TOUCH NEW PEAKS



Brana Radovic

Wall Street whistles to Mr Volcker's tune

By Terry Dodsworth and Paul Taylor in New York

NEW YORK'S plush Plaza Hotel has rarely played a central role in world financial affairs. But in a steamy, overcrowded conference room on a Sunday afternoon in September it housed a meeting that decisively changed the direction of the US capital markets.

Two days earlier, on September 20, the Dow Jones industrial average had dipped below the 1,300 mark, first overtaken only four months before. Long-term interest rates had reversed direction and were on an upward trek, and the US dollar was still riding high at over DM 2.80. The markets were fretting about the possibility of a recession, the decline of US competitiveness and the looming prospect of growing protectionism.

The message delivered from the Plaza was a simple one. US Treasury Secretary, Mr James Baker, and his four counterparts from the leading Western nations had come to an agreement to act together and try and push the dollar lower to keep the US economy rolling forward.

Wall Street reaction was virtually instantaneous. By the time Europe awoke the next day, many of the leading US investment houses already had their trading strategies in place. They reasoned that the effort to drive down the dollar implied steady US interest rates at the very least. The lofty figure of Paul Volcker, the Fed chairman, standing by the side of Mr Baker, underpinned this view.

"The basis of the rally in the last eight weeks has to be laid at the doorstep of Mr Volcker and his colleagues," says Mr Steve Einhorn, Goldman Sachs portfolio strategist. "Never has a Fed chairman been so explicit in signalling investors not to wory about rising interest rates nor the threat of recession."

When Wall Street closed 24-hours later, the Dow Jones industrial average was more than 18 points up on the day at 1,316.31. Since then, it has risen a further 120 points smashing a series of records on the way. This week the index stood at about double its low point in the recession trough of 1982, having jumped up through the 1,460 level in an enthusiastic trading burst on Thursday.

Interest rates in this period have not changed very much at the short end where the Fed exerts its influence through day-to-day intervention in the money markets. But the difference in market sentiment is crystal clear in the behaviour of longer-term yields.

Encouraged by repeated hints from Mr Volcker—that the Fed will remain "accommodative," that the recent rapid growth in M1, the basic money supply measure, is not of over-riding importance, and that inflation remains under control—investors have found the confidence to move into longer-dated paper.

This mood has been helped by active consideration of deficit reduction and an eventual balanced budget on Capitol Hill. As a result, the yield on the 30-year Treasury long bond has fallen below 10 per cent this week for the first time in five years.

Two other factors are underpinning equity strength as well. The first is a feeling that a controlled slide in the dollar can only be good for American industry, battered in the last four years by extremely competitively-priced imports and vanishing overseas markets. In the last nine weeks, dollar-sensitive stocks, like pharmaceuticals, have led the rally.

Wall Street generally sees real GNP growth this year coming in around the 3 per cent level, and is looking for real growth of between 4 and 5 per cent in 1986. On the corporate earnings front, several Wall Street firms are predicting profit gains of up to 15 per cent next year, after a decline in the current 12 months of around 5 per cent.

Yet whatever the signs of current confidence, the stock market is not caught up in a frenzy of runaway bullish enthusiasm. In sharp contrast to some of the earlier rallies in the present cycle, the overall mood of the market is strangely muted. Salomon Brothers, for example, is advising clients to sell into strength.

One significant pointer to this caution is that private investors are very largely staying out of the market. Volume on the New York stock exchange, although reasonably healthy, has not shot through the roof. In October it averaged 110m shares a day but institutions were accounting for a significantly higher proportion of this activity as block trading jumped by 30 per cent.

There is unease about the speculative element in current stock market ratings. Partly because of the constant whirl of the Wall Street rumour mill at present, several of the blue chip stocks in the Dow industrial average are today carrying potential bid premiums.

The effect of this has been to magnify the underlying strength of the market—the broader NYSE composite index has only gained 8.9 per cent over the last nine weeks against an 11 per cent gain in the narrower Dow industrial average. In addition the blue chip index has been buoyed up by the continued withdrawal of equity due to the unprecedented wave of mega-mergers and share buybacks.

Analysts who peer at the charts rather than the oceyomn charts rather than the economy have another reason to be concerned. The US stock market rally is already a geriatric at 39-months old, against an average in the last five recoveries of 31.4 months and the longest of 43.5 months back in the mid-1960s.

"We don't think we will make it much beyond the first quarter before we see a pronounced fall-back," says Mr Hans Schueren, a technical analyst at Merrill Lynch. Mr Einhorn at Goldman Sachs also believes there is a danger the rally is topping out. But he argues that the Fed will continue to try and put a floor under any downturn.

"Mr Volcker has no choice. The world is in rather a precarious situation," he says. "When you work out loans outstanding in the developing countries, look at the farm credit system and the leverage in the US private sector—all of these things say the US economy has to keep growing. He is scared to death."

LONDON: 'NOBODY WANTS TO BE FIRST OFF THE MERRY-GO-ROUND'

HAS THE approach of Big Bang engulfed the London stock market in a wave of speculation? Or is its bullish mood explained by the fact that, as one stockbroker observed with tongue in cheek: "the closer Halley's comet approaches the earth, the higher does the market rise?"

These are two of the more entertaining theories being advanced for an apparently inexorable autumn surge in UK share prices.

The itch for equities, stirred by takeover speculation but spurred more fundamentally by economic growth and falling inflation, is not just being felt in Britain and the US. West German, French, Swiss, Italian, Dutch, Belgian, Austrian and Spanish share prices have all been setting records

London's rally is testing the superlatives of the commentators and breaking new ground for virtually every available index. The FT Ordinary Index of 30 blue chips breezed past the 1100 mark on Wednesday and reached 1135.4 yesterday, 25 per cent above the year's low of 911 reached in July. The All-Share Index of 739 shares reached 699.64, 27 per cent above its level of a year ago.

Almost every sector of the equity market has reaped the full benefit, with only a few casualties, such as electronics, failing to approach record levels.

Following the typical pattern of a raging bull market, UK investors have ignored factors which could at other times have damaged sentiment: realisation that short-term interest rates have little if any room to fall in 1986; surprisingly poor results from Beecham, the pharmaceuticals group, and the ousting of its chairman; the Government's adoption of economic policies seen in the City as risky; and over-dependence on the market values of oil and the pound.

So what has driven them on? One factor may be increased foreign activity in the run up to the Big Bang city restructuring, but the real answer to the London stock market's current strength lies with the UK fund managers who control the billions of pounds invested in pension funds and insurance companies.

Their existing investments have been producing a high, though not exceptional, flow of cash. In recent months, there have been remarkably few new avenues for it: the Government has reduced its debt sales, there have been no privatisations or other large flotations, and few companies have dared to issue new shares since Hanson Trust surprised the market with a less than successful £519m rights issue in June.

Rather than keeping the inflowing money on deposit or spreading it among a range of investments such as property, increasingly performance-minded portfolio managers have been ploughing it back into shares. They do not want their end-of-year figures to reveal that they have missed out on a lucrative stock market move.

This creates a buying spiral: the more the market goes up, the more you want to buy. "Nobody wants to be the first to jump off the merry-go-round," says Mr Nicholas Knight, equity strategist at stockbroker James Capel.

The feverish mood has been heightened by an unprecedented wave of takeover speculation. With the £1.8bn contested bid by Elders IXL for Allied-Lyons, Britain's biggest ever bid, now under way, the stock market has realised that virtually any company could be a target.

On a more fundamental level, lower inflation, with the expectation of further declines, has attracted buyers of shares and other financial assets, since their returns are less likely to be eroded and are better than traditional inflation refuges such as gold. In addition, the prospects are for consumer-led economic growth fuelling continued growth in corporate profits and dividends.

West German and other European stocks have been made more appealing to outside investors by the dramatic slide of the dollar since leading industrialised countries decided in September to take steps to reduce its value. It has not escaped the more internationally-minded US fund managers that virtually every foreign market has outperformed Wall Street this year in dollar terms—though Japan, after performing strongly earlier in the year, now looks less attractive

Where will the London rally end? Industrial share prices are at 14 times their average earnings per share. The rally has reduced the dividend yield on the All-Share Index to 4.2 per cent, not far above the 3.5 per cent return currently available on index-linked Government stocks. So there are strong arguments that the market is already fully valued.

Many brokers are cautiously recommending their clients to take some profits and allow cash to accumulate rather than being poured into shares. Next year the Government's £4½bn-year privatisation programme will remove some of the institutions' embarrassment of cash.

A "consolidation" seems inevitable at some stage. But when such a market momentum has developed, Halley's Comet probably provides as good a guide as any about when it will subside.

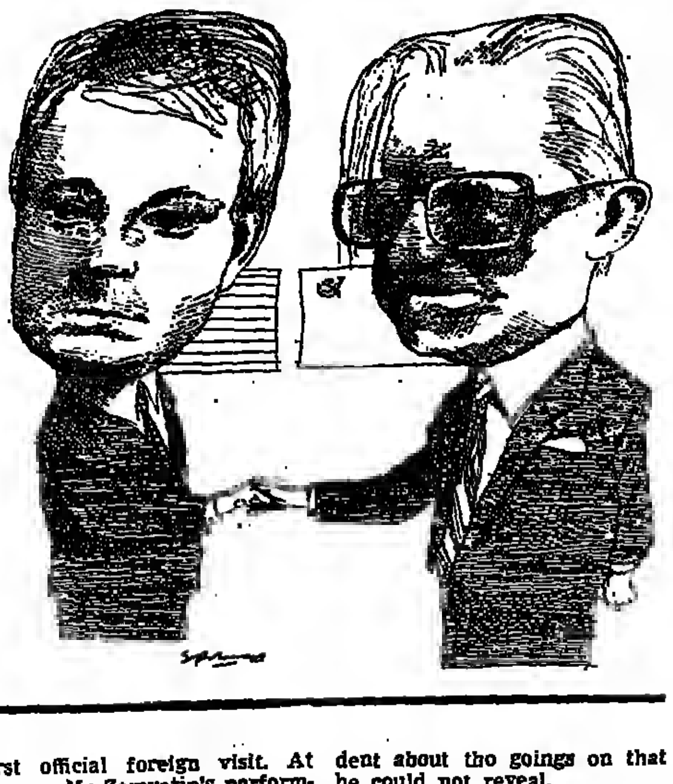
Alexander Nicoll

Men in the News

Larry Speakes and Leonid Zamyatin

Propaganda meets public relations in the briefings war

By Reginald Dale and Patrick Cockburn



FOR SEVERAL days this week, the 3,200-strong world press corps that flocked to Geneva for the superpower summit was less interested in Star Wars than "briefing wars."

As the two leading actors in the Geneva drama disappeared behind the scenes, the spotlight turned to the front men who had to try to explain what was going on.

Mr Larry Speakes, the chirpy but pugnacious White House spokesman, brushed aside suggestions that he was engaged in lower level superpower competition with Mr Leonid Zamyatin, his Soviet rival. The US had not come to Geneva to score public relations points, he said. Ha Ha.

Although the character of their briefings was utterly different, at times the two men sounded almost the same. They also revealed the same controlled but bossy intolerance towards unwanted questions.

But while Mr Speakes had to cope with a White House press corps which needs to know what the President had for breakfast and what sort of underwear he was clothed in, Mr Zamyatin's problem was slightly different. Nobody at a Soviet briefing asked if Mr Gorbachev was wearing long johns.

Instead, he had to face unsubtle and aggressive questions about Afghanistan and human rights. One woman harried him on why, as a simple Swiss tourist, she had been hassled in the Soviet Union by the KGB when the only weapon she was carrying was her smile. A surprisingly tolerant Mr Zamyatin disarmed her by replying that he could not understand how such a charming smile could have failed to draw a warm response in his country.

Mr Zamyatin is a curious exponent of the more open Soviet attitude to the media in evidence since Mr Mikhail Gorbachev became Soviet leader.

As head of the Communist Party's International Information Division since 1978, the 63-year-old Mr Zamyatin had already been chief spokesman for three General Secretaries before Mr Gorbachev. And as a former Head of the Soviet News agency Tass, he has dealt with the press since the days of Mr Nikita Khrushchev in the 1950s.

At the beginning of this year there were rumours in Moscow that Mr Zamyatin was to become an ambassador and his department reorganised, but nothing came of it. Instead, he has played a central role in the three month long Soviet diplomatic offensive which preceded the summit, starting with the Time magazine interview with Mr Gorbachev at the start of September. Mr Zamyatin was firmly in place beside the new leader at the green baize table in the Kremlin.

When Mr Gorbachev went to Paris, Mr Zamyatin was with him. At times choleric under hostile questioning he never wholly lost his temper and clearly benefited from the success of the General Secretary's first official foreign visit. At Geneva Mr Zamyatin's performance was more relaxed.

The new approach is important for the way in which the world views the Soviet Union, but an equally radical change is occurring in the way the Soviet Union looks at itself. Impromptu press conferences broadcast live by Soviet television and continual briefings on Soviet policy have suddenly made Mr Zamyatin's job one of the most important in the Soviet Union.

Mr Speakes had to accept that he was not quite such a heavyweight in his own camp. Mr Zamyatin was an official member of the top level Soviet delegation.

But even when Mr Speakes was defending the "news blackout," which it seems clear that the Americans asked for, he left no doubt that he had been personally briefed by his President about the goings on that he could not reveal.

Mr Speakes has grown in stature since he was tragically catapulted into prominence in the spring of 1981. His predecessor, Mr James Brady, was one of the casualties of the assassination attempt on Mr Reagan. Although he is still officially Deputy Press Secretary to the injured Mr Brady, the young looking, 46-year-old Mr Speakes has flourished in his real role as Mr Reagan's principal spokesman.

His performances today are much more confident than when he first struggled to correct Presidential "mis-statements" four years ago. He has developed a style of banter which infuriates some of his captive White House clientele, but still allows him to win most of the barbed exchanges that he seems to regard as an integral part of his job.

It is a careful balancing act. Less important members of the White House press corps know that they need good relations with Mr Speakes. The more important (essentially the American TV networks and the major news agencies) know that Mr Speakes ultimately needs them more than they need him. Without television, Mr Reagan would arguably not be President of the US.

The travelling White House press, 240 of whom flew to Geneva on a chartered PanAm Boeing 747, recreates itself like a microcosmic amoeba whenever it leaves its cramped quarters in the west wing of the presidential mansion. The same pecking order is reproduced whether the President is in Strasbourg or South Korea. Mr Speakes gives the floor to the people he knows, and does not hide his disdain for foreigners.

Mr Speakes, who has a light deep southern accent, started a newspaper career in 1961 as editor and then managing editor of papers in Mississippi with such exotic names as the Oxford Eagle and the Bolivar Commercial. His newspapers, according to his official White House biography, won "top awards" for six straight years.

He worked for Presidents Nixon and Ford and then had a spell in public relations before signing on with Mr Reagan. If and when he leaves the White House, he is expected to be able to take his pick of plum jobs, unlike some of his predecessors who have been reduced to a humble status in Washington public relations.

In Geneva this week, public relations—or propaganda, as Moscow would call it—has been the centre of the new superpower relationship. Both sides seemed to accept that it was almost as important as the actual content of the two leaders' private talks.

In the "affability wars" that they conducted from their rival press centres—half-a-mile apart on a Geneva hill—these two unlikely exponents of conciliation were the visible faces of what is now intended to be a more friendly superpower dialogue.

Pineapple falters — but the dance goes on

THE SPECTACLE of the elegant Ms Debbie Moore attempting to extricate herself from her tango with commercial reality is being watched with more than passing interest by her rivals, present and potential. Ms Moore's was the face, and figure behind a host of dance studios the vital City statistics of which this week failed to draw applause: pre-tax losses of £214,000 for the year ended July 31.

At first glance this fall from corporate grace might be expected to provoke a flurry of depression among pundits who have long held that the health boom was going to provide investors with a safe haven. In the event, however, there is ample evidence that here is yet another industry where the major operators are waiting for the entrepreneurs to make their mistakes before stepping in.

"They'll just watch until people start getting the formula right, and then they will move in," says Mr Roger Brind, managing director of Flames Health Clubs.

It could be argued that Flames is one of those doing the moving in. It is on the declared course of opening "five or six health clubs a year for the rest of the decade." With former Royal Marines physical training inspector Brind at the helm, the company is part of Nashar Trading, which is owned by Mr Mahmoud Nashar. Flames now has five clubs having started from scratch 18 months ago. The original intention was to start new clubs, but so many clubs are now getting into difficulties that Flames is able to collect the windfalls.

The indications are that despite the aerobics business's problems, the health kick is alive and well. Retailers like Marks and Spencer and Tesco are increasingly pitching at the health-conscious food buyer: Guinness has bought Champneys Health Hydro and this week Cranks health food restaurants: trainers continue to be the constant footwear of the young; and magazines with titles like Work Out and Here's Health proliferate on the news-stands.

All this is supportive evidence for such companies as First Leisure, Lord Delfont's highly successful assemblage of operations aimed at the discretionary spending power of Britain's youth, another USM quoted company, Miss World, and Ladbroke.

Ladbroke now has seven clubs operating under its Lanton Leisure umbrella (it has a 75 per cent stake) and has hit upon the somewhat piquant mixture of snooker, gymnasium, exercise studios and Jacuzzis. "We have a formula which attracts families and it is a formula which works. Dad can play snooker, mum can exercise and we have a creche for the kids," a spokesman said.

At the other end of the business Sarova hotels has just sunk £1.5m into the glossy Aquilla health club in Kensington (right

By Arthur Sandles

opposite the Victoria and Albert Museum). This pales, however, against the £4.5m which Gleneagles Hotels, now also, via Bells, part of Guinness, has spent on the creation of the Gleneagles health club and spa at the New Piccadilly Hotel in the heart of London. A more conventional spend would be between £300,000 and £600,000.

So what are the pitfalls? Well, for one thing the emphasis in this fashion-conscious business has changed from dance to exercise. Also says Mr Brind of Flames there has been lack of expertise, both managerial and financial. "You had people who thought they could run a club in their spare time. You can't. They did not realise the skills needed or the level of running costs. The overheads, staff, lighting and airconditioning, are colossal and it takes time for the business to build up."

This is a view endorsed by analysts Leisure Consultants. It blames "poor management and low teaching standards."

According to Caroline Petel, of Leisure Consultants: "Customers are becoming much more discriminating and knowledgeable. As a result, health clubs are having to be more professional." At the same time, and this may have particular pertinence to the Pineapple problems, "people are turning away from aerobics classes to body conditioning, stretching and gymnasium work. There is now a wider view of health and exercise in which diet, nutrition and exercise are all involved."

There are probably a little over 1,000 health clubs in the UK, although accurate figures are difficult to establish if only because no one has really defined what a health club is. Most clubs offer a wide range of activities, seeking a niche between the pure slimming market and Weight Watchers clubs and the more serious rivalry of the many highly sophisticated, and frequently profitable, local authority leisure centres.

Where the clubs hope to score over the local authority operations is the sense of intimacy and friendliness—the lack of which in some clubs is often given as a reason for their failure. The clubs charge annual membership fees, some as low as £5 but sometimes £1,000 or more, and then work hard to keep those members loyal. "You must not allow those members to become disenchanted," says Palmer of Flames.

At the top end of the market the membership is coddled with libraries and luxury restaurants (at Gleneagles) and even a special light (no added sugar) champagne (at Aquilla).

There are not many locations that have the cachement areas to justify £1,000-plus membership fees or the facilities that go with them—which usually means a large swimming pool and an extensive beauty treatment centre.

"The majority of clubs should aim essentially to gain their customers from a wider range of social classes . . . for most clubs the cost of yearly membership should be below £100 at 1985 prices. For this price members should be able to use the gymnasium whenever they want," says Caroline Petel.

Once again, the stress is on exercise with a more traditional ring about it than dance or aerobics. "In the past many of these places were dance studios that also had a gymnasium," says Flames. "Now they are health centres and gymnasia that also offer dance."

A cue, perhaps, for the flexible Ms Moore to learn some new steps.

Elders through the Allied looking glass

NO ONE ever kicked sand in John Elliott's face. As chairman and chief executive of Elders-IXL, the rapacious Melbourne-based conglomerate, Mr Elliott personifies the battling Aussie businessman to such a degree that the pugilistic lexicon is swiftly exhausted.

He is chunky and barrel-chested, with the cool look of a big-ring contender who knows he can inflict a lot more punishment over 15 rounds than he is likely to receive.

As the mastermind behind Elders' £1.8bn bid for Britain's Allied Lyons food and drinks group—easily the biggest seen in Britain or Australia—Mr Elliott was briefly in Melbourne this week, before returning to London.

He was grey-faced and gravel-voiced, but clearly relishing every jab and counterswipe of the Allied fracas. He exists—it seems—on virtually no sleep. When the cameras are on him he clutches a can of the golden gargle—Foster's Lager, made by Carlton and United Breweries (CUB), Elders' main cash pump—but away from the limelight he switches to fist-sized tumblers of Scotch. Unlike a real boxer he chain-smokes Marlboro.

In Melbourne Mr Elliott is the prize protege of the Collins Street establishment that dominates business in Australia. In their eyes he can do virtually no wrong, so that the quantum leap that the Allied bid entails has prompted almost no serious questioning.

Yet the bid raises several crucial issues over and above those already aired in London, which have concentrated on the scale and complexity of the leveraged deal Elders is proposing, and the ownership structure of the exotic bidding vehicle Elders has wheeled forth.

From a less hidebound perspective, the big questions are these: is Elders, despite protestations, an old-fashioned asset-stripper? Can Elders grow businesses, or does it snatch them off the barrow? How good is Elders' record and four-core operations? Does it badly need to pluck a rabbit from the hat? Does Elders have the skills to transform Allied's "tired" drinks brands, let alone deliver the "imaginative leadership, innovative management and strong strategic direction" that it promises so badly? Is CUB a one-brand brewer or a marketing heavyweight? If Allied's drinks brands are indeed as sick as Elders has portrayed them, can Elders breathe life back into them? Is Elders in danger of ignoring home markets for the sake of foreign adventuring?

The best way to tackle those questions is to study Elders' main charges against Allied, and swivel them back on Elders, to see how it performs.

In this week's offer document, Elders' charges against Allied can be paraphrased under three main headings — unsatisfactory earnings; poor marketing, and poor leadership and lack of strategic direction.

Without a doubt, John Elliott has come a long way fast. In a nutshell, he has leveraged his start as a McKinsey consultant into a brewing, pastoral, trading, and financial empire that in 1984-85 saw net profits up 50 per cent at A$108.6m (£51m) on revenues of A$7bn, against net profits of A$34.4m on revenues of A$2.5bn five years ago.

He made his first move in November 1972, after scouring the field for companies with three attributes he viewed as the *sine qua non* of takeover candidates: poor management, high asset level, and turnaround potential. The prize was Henry Jones (IXL), a fading

By Michael Thompson-Noel in Melbourne

jam-maker, which cost him and his backers A$33.3m.

He assembled a youthful management team, cultivated their loyalty, delegated authority generously, and paid them well. He keeps strategy to himself and to a narrow circle of advisers, but gives his managers a fair length of rope.

Elders is not an asset-stripper, said Mr Elliott this week, emphasising that although he routinely acquires and disposes of surplus assets, his aim has always been to bolster his core businesses. Apart from brewing, these include an extensive pastoral network (wool broking to livestock selling to rural financing); international trading; and finance; including merchant banking and financial services.

Over the 18 months to June 1985, Elders cut total debt from A$1.75bn to A$773m. Indeed, the main contributor to profits growth in 1985-86 (unless Allied suddenly rolls on its back) will be its much lower interest bill. Elders' net interest bill for 1985-86 should fall by around A$50m.

Now in some ways, this dramatises earlier scepticism over the quality of Elders' earnings, for its core businesses (except finance) are in non-glamorous areas of a lumpen economy. Despite a current dash for growth, Australia is still heavily reliant on bulk commodity exports, and its terms of trade are languishing.

On this line of reasoning, Elders needs good foreign assets quickly—a rabbit from the hat. Yet it says it can still wring growth from existing businesses.

After earnings, Elders' second main charge against Allied concerns the British group's alleged failure to succour its brands or handle its marketing properly.

Does Elders have the credentials to make this claim? The answer is ambiguous. For a start, the A$5bn Australian beer market is now a duopoly in which CUB claims a current 49 per cent of sales against 42 per cent for Alan Bond's Swan-Castlemaine operation.

Second, CUB is heavily reliant on Foster's Lager. Nothing can besmirch the amber liquid, but management of one big brand is a far cry from juggling the host of big brands that Allied attempts. Foster's has about 15 per cent of Australian beer sales (8.8 per cent in 1981-82), and 20 per cent of packaged sales (11.1 per cent in 1981-82). It has proved a big success in Britain, but its US sales, despite much trumpeting, are tiny. Foster's has about 1.8 per cent of the US import beer market, where it is dwarfed by Heineken.

CUB also has Victoria Bitter, with a claimed 9.2 per cent of national beer sales, behind Bond's XXXX and Toohey's brands.

It claims to be an innovator, and to be reinvesting heavily in technology and brand support. Its total marketing budget this year is A$45m, against A$37m last year, including a new A$1m promotion of the Melbourne Cup horse race. Mr Bond is probably outspending CUB at present, and is in any case the holder of the hottest of all sports sponsorship properties, the America's Cup, which he hopes to defend in early 1987 in the waters off Perth.

CUB claims to have adapted well in a sluggish home market; to have developed national branding strategies, and to be a bold exporter. "Elders has given CUB a chance to manage," says Mr Brue Siney, CUB's executive marketing director. "Our decision-making is far more rapid. Elders is especialy skilled in terms of finance and managing businesses. There's an energy that wasn't there before, and a determination to become a world beater in — fafadow m world brewer in the shortest space of time."

When it comes to leadership and setting targets, Mr Elliott wins near-unanimous praise in Australia. "He's a genius," says one broker. "Pretty boorish, perhaps, but someone who will achieve what he wants. He's a bull terrier, bred to fight, but with the sense to let go if need be."

A top Elders finance man says: "It's a fun place to work. You spend a good part of your time on work for the future, not on this week's profit."

Mr Elliott says: "All along we've been doing things to build the business. What do you call us? We're a large Australian company with four core businesses, and another major investment in resources. We're not asset-stripping.

"We have always sold well over our asset backing. That's what we measure the management premium to be." He says that his original shareholders could retire now. "An analyst like to project exactly what's going to happen. It's harder with us. All he can do is reflect our performance."

In the language of the Foster's advertisements, Mr Elliott's carer so far has proved an ace aperitif. Yet Elders now wants a seat at the big table. Whether it gets it, and what it would do with it, are two beaut questions.

John Elliott: the cool look of the big-ring contender

Letters to the Editor

Encourage high earnings

From the Managing Director, Alexander McKillop

Sir,—In Harrogate, Sir Terence Beckett (November 19) postulated the concept of no more unearned annual pay increases. Absolutely right. Especially at a time of diminishing inflation—but why, oh! why, so negative? Surely as managers we should not only encourage high earnings but create conditions where they are genuinely possible, and not give the impression that we want to hold down salaries and wages just for the hell of it.

Even in the incomes policies and pay freezes of the last 25 years, extra rewards for improved productivity and promotion were not precluded. Why, as managers, can't we put to good use some of the schemes we all know so well, bonus and added value schemes, job evaluation, commission, profit sharing, share ownership, etc? Some top companies pay high levels of remuneration with little or no variable element (including the much abused and misunderstood element of overtime). They really involve their staff in the affairs of the enterprise and achieve results by vigorous and enlightened management.

When it comes to promotion, some will say, this is only for the few—but need this be so if we really set out to appraise our people and encourage them to progress? We could widen opportunities, if not by immediate promotion, then by training in alternative skills.

We all, especially the CBI, know these principles and practices so well. We know the companies where they are successful. Let us now, as managers, generate the interest and understanding of all our people, show them the way ahead, show them how earnings can be genuinely increased, and demonstrate how life for employees can be vastly improved by greater productivity, greater individual challenge and the greater development of their inherent skills and talent.

David A. Peters,
9 North Warren,
Aldeburgh,
Suffolk.

Stepping stones in the arts

From the Managing Director, London Symphony Orchestra

Sir,—I just want to put the record straight on one point in Antony Thorncroft's otherwise excellent article on arts sponsorship which appeared on November 16.

Far from doing "little or nothing," Shell UK is in fact by far the LSO's largest single sponsor, funding major projects in two of the most important areas of the orchestra's work, namely education and regional concerts.

Next year, we will celebrate the 10th anniversary of the Shell LSO music scholarship and the Shell LSO national tour. The scholarship has not only provided stepping stones into the profession for some of the most talented young musicians in the country, but it has also enabled the majority of the entrants to benefit enormously from the workshops and master classes that the LSO principals have given around the country as part of the selection process.

The Shell LSO national tour has enabled the orchestra to play in many of the main regional capitals in the UK, programmes prepared for London, with top international artists. Without Shell's support no regional hall would have been able to afford these concerts.

We in the LSO feel that Shell's sponsorship has been one of the most successful and valuable contributions to be found anywhere in the arts.

Clive Gillinson.
Barbican, EC2.

The Scots and the world

From Mr P. Mitchell.

Sir,—The interruption to the TSB sale of shares is of no benefit to the Scottish TSB, nor to its depositors. As a life long depositor in the TSB no correspondence has ever reached me asking my opinion as to whether shares in the bank should be floated or not, and the vast majority of Scottish depositors have not been consulted, consequently the Scottish campaign to stop the sale of shares in the TSB seems to be ill-founded.

There have been many statements in the Press showing that the interviewee has not done his homework. The statement that the jewel in the crown is the Scottish TSB has no foundation surely, when the TSB England and Wales has 1,250 branches compared with 280 branches in Scotland, the former has pre-tax profits of £102.4m compared with Scotland's £32.6m profit, and we could go on.

If Scotland was to be nationalised tomorrow surely we would not intend to be parochial about it, have not the brains and the willingness to work of Scotsmen the world over not done Scotland proud? Our travellers who have settled abroad, and that could include England, have built for us a tremendous reputation. The thought that all the powers of the Scottish TSB will go to England must be false. It cannot be argued that the England and Wales branch is by far the largest TSB so therefore logically the headquarters will be in England, and if the Scots cannot hold their place in this amalgamation then my estimate of them must be wrong. The argument that all power in Scotland would devolve to England is just a political one.

The best advice our politicians could give to Scottish depositors in TSB would be to buy shares in the forthcoming sale, all Scottish shrewdness would discern that this will be of more monetary value to the depositor in the short and long term, and to the depositor is not this what matters most?

The TSB has come a long way—to halt progress now would be retrograde, and so unlike the Scots.

Peter G. Mitchell,
Southside,
Fife Street, Keith,
Banffshire, AB5 3EG.

Uninformed by the trustees

From Dr A. Charles

Sir,—Those who oppose the privatisation of TSB Scotland deserve our thanks. The bank has made no attempt to keep its depositors informed. Enquiry has been met with the bland assurance that Parliament has considered all, and everything would be explained in an information pack to be made available to everyone. The pack turned out to be a rosy sales brochure, presenting a *fait accompli* and explaining nothing. Which, but for the court case at Edinburgh, would leave depositors who suspected jiggery pokery with the daunting task of perusing the matter at short notice in Hansard.

The TSB has always had a pleasing local flavour about it. In Wales we now find that our so-called trustees have neglected Welsh interests to a point where I have even failed to find the number of branches in Wales, let alone a figure for Welsh profits. So one must vehemently object to control from SE England, a region where apparently TSB has never been much in favour, and to the power that outside institutions will wield when they get their hands on TSB shares. This flotation basically is the seizure by the Government of assets belonging to a large body of unorganised depositors so as to transfer them predominantly into the hands of a small group associated with activities highly favoured by the Government.

TSB has done very well to date. Some depositors simply do not see why it should change character the way this Government wants, a way which is already making some building societies behave like property magnates cum back street moneylenders, rather than as mutual societies.

To me it is disgraceful that writers in your paper (November 15) are willing to ignore that a Parliamentary Act instructing an action by the Government assumes that action to be legal, and that your leader barefacedly urges illegal action. This, together with the proposed court action by TSB trustees to forestall depositor protest, when they should be inviting opinions, is poor testimony to the morals of the financial climate into which TSB trustees now so discreditably wish to move.

(Dr) Arwyn Charles,
Cruf yr Awel,
Boverton,
Llanilltud Fawr, Glam.

The deer hunters

From Mr R. Rowley.

Sir,—"The deer hunters" (November 16) entirely misses the cardinal objection of those who oppose deer hunting, namely, the cruelty involved.

Your correspondent states that "the hunters maintain that it (the deer) is just moving away from the hounds, horses and people and has no understanding of being hunted." I am sure that there can be few readers who would believe such nonsense any more than they would accept your correspondent's cosy description of the hunted animal being "not very concerned . . . other than to lope on looking for a quieter cover."

A hunted stag runs not infrequently for more than 20 miles, sometimes seriously injuring itself as it runs over difficult terrain in an attempt to escape and all to often collapses from exhaustion at the end.

I have witnessed a hind drown in her vain bid to heat the hounds as she was hunted down a swollen river: while in another instance the poor creature was driven out to sea; this at a time when the animal was almost certainly in an advanced stage of pregnancy.

Only terror could force such timid creatures to such extremes. The 1911 Prevention of Cruelty to Animals Act specifically accepts the terrorising of any animal as a criminal act but is so worded to let the hunters off the hook. This is an inexcusable disgrace and it is high time that this antiquated statute is brought up to date in line with current thinking and knowledge.

The article implies that deer hunting stops local farmers from shooting deer. Nothing could be further from reality. Some of the hunt supporting farmers are the biggest villains in this respect. To make matters even worse, the hunts themselves organise deer shoots, naturally under a cloak of secrecy as this activity clearly destroys the main plank of their argument that deer hunting is necessary if the deer herd is to be controlled.

R. F. Rowley
(Chairman, League Against Cruel Sports 1961-77).
141, Cranley Gardens, N10.

Stemming the rise in unemployment

From Mr D. Johnson

Sir,—When the Employment Institute was launched earlier this year with much pomp and circumstance, its leading members hotly denied suggestions that it would be merely another platform for neo-Keynesian orthodoxy. It was to have introduced new ideas, drawn from every quarter, into public debate. The view of the sceptics is entirely vindicated, at least for the present, by the letter from Lord Caldecote et al (November 12). Their last sentence—"Only by policies aimed at non-inflationary growth can unemployment be cut"—is, though quite vague, defensible; but after a defence of the policies which produced stagflation, it comes as a *non sequitur.*

There is plenty of evidence that the generally non-inflationary policies available to the Government—which mainly concern the labour market and the tax and benefit system, and which these authors assert "will take some years to have an effect on employment"—not only have already helped to stem the increase in unemployment, but could reduce it quite rapidly, if only the Government would stop using demographic changes as an alibi.

Unemployment has nothing to do with baby booms, but everything to do with psychological factors, such as the prejudice against low wage employers which Samuel Brittan so ingeniously exposed (November 2). Keynes at least possessed a subtle grasp of such factors; the Employment Institute lacks even that: "Financial markets have been conditioned to believe that fiscal expansion would be bad for the economy." People who suppose that the market has been, or could be, "conditioned" do not know what a market is.

Daniel Johnson.
107b Shirland Road, W9.

BUILDING SOCIETY RATES

	Share	Sub'pn	Other
Abbey National	7.00	8.00	8.75/9.00/8.25/8.50 Five Star acc.—instant access/no penalty 9.50 Higher Interest account 90 days' notice or charge 8.50/8.81 Cheque-Save 9.05/8.50 "City" Cheque-Save
Aid to Thrift	*9.20	—	— * Easy withdrawal, no penalty
Alliance and Leicester	7.00	8.00	9.75 Premium Plus min. £500, immediate withdrawal (penalty if balance left is under £10,000) Interest annually/mthly. 9.25 Gold Plus £2,500+, 8.75 minimum £500. Immediate withdrawal. Interest annually/monthly 8.75 Banksave Plus balance £2,500+, 7.75 under £2,500 current account minimum initial investment £500
Anglia	7.00	8.00	9.00 Instant Gold £250-£4,999 No notice/penalty 9.25 Instant Gold £5,000-£9,999. No notice/penalty 9.50 Instant Gold £10,000+ No notice/penalty
Barnsley	7.00	9.00	9.95 Summit account — £1,000+ — 3 months' notice 8.85 Special invest (28 days' notice) 8.85 monthly inc. a/c
Bradford and Bingley	7.00	8.00	8.50 No notice no penalty on up to 3 withdrawals per annum 9.75 3 months' notice without penalty
Bristol and West	7.00	8.00	8.75 Plus account £1,000+. No notice. No penalty 9.55 £10,000+, 9.30 £5,000+, 9.05 £1,000 7-day notice Triple Bonus. Also monthly income 9.75 Special 3-month account, £5,000+, 3 months' notice
Britannia	7.00	8.00	9.50 60 days' notice
Cardiff	8.50	8.60	9.80 90 days' notice or penalty if balance under £10,000
Catholic	7.30	8.30	10.00 £2,000+ Jubilee Bond. Monthly income. 90 days' notice
Century (Edinburgh)	9.85	—	9.30 Guaranteed rate 2/3 years (or variable account)
Chelsea	7.00	8.00	9.85 Immediate withdrawal interest pen. or 3 months' notice
Cheltenham and Gloucester	—	8.00	8.75 Cheltenham Gold. No not./pens. £10,000+ 9.75. £5,000-£9,999 9.50 £500-£4,999 9.00. Under £500 7.00. Mly int.
Cheshunt	7.00	8.50	9.75 £20,000-£250,000, 9.25 £1,000-£19,999 inst. acc. no pen.
City of London (The)	7.25	8.75	9.60 3 months' notice—no penalty—monthly income
Coventry	7.00	8.25	9.00 7 days' notice, immed. access for amounts over £2,000 9.85 3-year bond £1,000+, close 90 days' notice and penalty, monthly income option, guaranteed 2.85 differential 9.55 Moneymaker £10,000+, 9.30 £5,000+, 9.00 £1,000+ instant access no penalty, monthly income option
Derbyshire	7.00	8.25	9.75 3 months' notice. Up to 8.50 no not./pen. monthly int.
Frome Selwood	7.00	10.50	10.30 Somerset super plus £10,000 minimum. Monthly income
Gateway	7.00	8.00	8.55 Gold Star £10,000+. No notice. No penalties. 9.30 £5,000+, 9.00 £1,000+ monthly interest available
Greenwich	7.00	—	9.75 60-day account (no notice account 8.75-9.25)
Guardian	7.65	—	10.00 8 months' notice £1,000 min. access to bal. £10,000+
Halifax	7.00	8.00	9.50/9.00-8.50/8.00 Instant xtra (minimum £500) 9.50 90-day xtra, 90 days' notice/no penalty (minimum £500) 8.00 Cardcash (£2,000+), 7.00 (£1-£1,999)
Heart of England	7.00	9.25	8.80 and 9.55 High Interest. 8.50 Gold Key
Hemel Hempstead	7.00	9.50	10.00 90 days, 9.00 60 days, 8.75 28 days
Hendon	8.00	—	8.00 7-day account. Minimum £500 3-month 8.75
Hinckley and Rugby	7.00	8.80	10.00 £20,000 High Rise wdl no pen. Rate varies with balance
Lambeth	7.15	8.25	10.00 Und. £10K. 10.25 ov. £10K mag. a/c 6 w. + loss of int.
Leamington Spa	7.10	—	9.25 £20,000 min. 2pa in. mly. no not./pen., 8.75 £5,000 min. 8.50 High flyer—no notice/no penalty £10,000 minimum 9.25 High flyer—£5,000 minimum, 9.00 £500 minimum 10.15 Super share no not., 14 days' penalty £20,000 minimum 8.85 Super share £5,000 minimum, 9.25 £2,000 minimum
Leeds and Holbeck	7.00	9.75	9.75 Monthly interest. 9.25 28 days', 9.55 60 days' notice. 8.00-9.25-9.50 Immediate access, no penalty
Leeds Permanent	7.00	8.00	9.50 HRAS 3 months' notice. Liquid Gold 9.00 £500+, 9.25 £5,000+, 9.50 £10,000+. No penalty/no notice
London Permanent	7.75	—	9.00 28 days' notice or immed. wdl. no pen. if bal. £5,000+
Midshires	7.00	—	9.25 £500+ inst. acc./no pen. £100-£499 7 days' notice 9.50 3-yr. term. 2.50 gtd. £500-£1,000 M.I. 3 mths.' not./pen.
Mornington	9.10	—	8.10 £2K. 9.25 £2K+, 9.35 £10K+, 9.50 £20K+
National Counties	‡7.30	8.56	8.80 90 days' notice, no penalty £10,000+. ‡ £1,000
National and Provincial	7.00	8.00	8.50 APEX 3rd iss. (+2.50 gtd. 3 yrs.) 60-day notice/penalty 9.50 Special share 60-day notice/penalty unless £10,000+ 9.50 Money man £5,000+. No notice, no penalty
Nationwide	7.00	—	9.00 Flexaccount cashlink £2,000+, 7.25 £25-£1,999 8.50 Bonus Builder £10,000+, 9.25 £5,000+, 9.00 £2,000+, 8.75 £500+, 8.00 £100+, no notice, no penalty 9.50 Capital Bonds 3 yrs., 2.5 gtd. diff. 50 days' not./pen.
Newcastle	7.00	8.25	9.50 (plus bonus) Two-Year Term, 8.25 7 days' notice. On demand by arrangement
Northern Rock	7.00	8.25	9.55 Moneyspinner plus £10,000 or more, instant access 9.30 Moneyspinner plus £5,000 or more, instant access 9.05 Moneyspinner plus £500 or more, instant access
Norwich	7.00	8.25	8.75 7-day/monthly income option/9.00 on £10,000+
Peckham	7.65	—	8.65/9.75 immediate withdrwl. if over £2,000. Monthly income
Peterborough	7.00	8.30	8.75 Premium share penalty. Free access (8.55 under £10,000)
Portman	7.00	9.25	9.90 Gold seal. Min. £1,000 1-yr. term then 3 months' notice 8.00 Flexi-plus. Minimum £500 no notice immediate withdwl.
Portsmouth	7.15	8.65	10.00 3-year, 9.80 90-day, 9.15 30-day, 8.70 7-day
Property Owners	7.50	8.00	8.85 Instant access minimum £500
Regency	7.00	—	9.35 Min inv. £500. Balance over £5,000 9.55 1 month's not.
Scarborough	7.00	8.25	9.15-9.55 over 55s no notice/penalty MI minimum £2,000
Skipton	7.00	8.25	9.70 Sovereign £5,000+, 9.25 £500-£4,999 monthly income 9.25 minimum investment £2,500 instant access no pen.
Stroud	7.00	8.25	10.25 2 years, 10.00, 9.75, 9.50, instant or notice
Sussex County	7.00	8.50	8.75 90 days, 9.50 monthly income, 9.25 instant access
Thrift	8.20	—	10.20 3-year term. Other accounts available
Town and Country	7.00	—	9.75 2-year term £10,000+, 9.50 £500-£9,999 wdrwl. available 9.80-8.75 Moneywise cheque/Visa. Interest varies with bal. 9.75 Super 60 ½-yearly interest £500, wdl. avail., mthly. inc.
Wessex	9.10	—	— No notice—no penalties—minimum £1
Woolwich	7.00	—	9.00 Prime £500+, 9.25 £5,000+, 9.50 £10,000+, no not./pen. 8.50 Capital, 90 days' notice/penalty. Minimum £500
Yorkshire	7.00	8.00	9.90 Plat. key £10,000+ wdl. no pen. −£10,000 50 d. nt./pn. 8.50 Classic Key Monthly Income

All these per cent rates are after basic rate tax liability has been settled on behalf of the investor

Kwik Save 13% higher at £36m

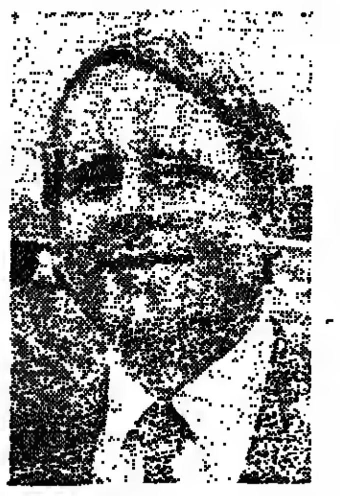
COND-HALF profits of £20.6m
reported by the supermarket
ain Kwik Save Discount Group.
is rompares with £17.45m last
ne and brings total profit for
year ended August 31 1985
to £35.98m, an advance of
28 per cent over the previous
1.77m. The dividend is raised
m 4.1p to 4.8p

Sales showed an increase of
.9 per cent to £724.26m
641.47m). Wage costs are
sing at a faster rate than food
ice inflation, Mr I. M. Howe,
airman, states, but there has
en a slight improvement in
t margins.

The profit includes an increase
om £1.88m to £2.47m in interest
ceived. This stems from better
sh balances, which have arisen
espite more capital spending.

Mr Howe says in the year 57
ew stores (40 Kwik Save and
7 Arctic Freezer Centres) were
pened and five closed, and an
dditional 20 wines and spirits
nits were opened. Major refits
ere carried out at 54 stores.

At August 31 the group was trading in 420 Kwik Saves, 22 Arctics and 78 wines and spirits. New store openings were spread around all the group's existing trading areas — the north-west and Wales, the north-east and Yorkshire.



Mr I. M. Howe, the chairman

The refits led to improved sales. Coleman Meat Company has completed another successful year.

Gross concession and other rental income rose by 7.4 per cent from £6.26m to £6.72m. The chairman says growth in this area will decline as more of the group's space is utilised for its own activities.

After tax £15.44m (£14.27m) the year's net profit romes through at £20.54m (£17.5m) for earnings of 13.66p (11.66p) per 10p share. The final dividend is 3.4p.

The annual meeting will be held at Prestatyn on January 9. Shareholders will be asked to approve a change in name to Kwik Save Group.

● comment

Kwik Save's decision to drop Discount from the group's full title represents a small piece of history. In the days of retail price maintenance it sold goods at a discount to the fixed price regime. Now, long after the passing away of RPM, the board has decided that discount no longer fits the bill. However, the analysts do not see it that way, at least as far as the multiple is concerned, believing in the main that Kwik Save should be on a discount to the sector. For while trading margins are a respectable 5 per cent, there is doubt as to Kwik's capacity to keep up with the sector's bigger operators in volume expansion. Forecasts are therefore for steady if unexciting growth. And £40m next year would put the shares at 242p on a prospective p/e of 15, with a 40 per cent tax charge. This seems ranked about right given Sainsbury's prospective of 21. If the shares rise much further it will be because the market is putting credence in takeover rumours—fuelled by Argyll's moves to Distillers direction. Argyll operate quite a large number of the liquor outlets within the Kwik Save stores.

Barclays unveils securities structure plan

Barclays, the clearing bank, is forming a holding company, Barclays de Zoete Wedd Holdings, for its new securities and investment activities.

The holding company will include Barclays Merchant Bank, along with de Zoete & Bevan, the stockbrokers, and Wedd Durlacher, the jobbing firm which Barclays is buying to participate in the City Revolution.

Sir Martin Jacomb will chair the group—one of the largest emerging in the City—which will have capital of £240m, and will employ 1,300 people. The chief executive will be Lord Camoys of Barclays Merchant Bank, and his deputy will be Mr Rex Cooper, senior partner of de Zoete's. Mr John Robertson, senior partner of Wedds will be deputy chairman responsible for regulatory and compliance matters.

The group will have two leading subsidiaries.

Barclays de Zoete Wedd (BZW) will be the leading operating company of the group with a banking licence providing a full range of merchant banking services. Its subsidiaries will be Barclays de Zoete Wedd Securities, a member of the Stock Exchange, and a primary dealership in the gilt-edged market capitalised at between £20m-£30m. BZW will be housed in Ebbgate House in Swan Lane.

The second leading subsidiary will be Barclays de Zoete Wedd Asset Management which will be located in separate premises to prevent conflicts of interests. It will manage about £10bn in funds.

Sir Martin said yesterday that the holding company would be just over 80 per cent owned by Barclays with the remainder held by the partners of de Zoete's Wedd's. Barclays' holding is higher than the 75 per cent first envisaged because the group has emerged in larger form than expected.

BZW has now filled senior management positions in its main areas of operation with people from all three constituent companies. These include, gilts and bonds, UK and international equities, banking and treasury, corporate finance, development capital, finance accounting and settlement. Appointments have also been made on the asset management side.

Sir Martin said that the structure had been largely dictated by the group's expected customer requirements. "We have sought to combine the skills of our separate firms in such a way that BZW can respond to the demands of the very largest multi-national customer, and equally to those of private individuals."

● Union Discount Company of London has been admitted as an external member of the Stock Exchange.

All conditions attached to the recent agreement between Union and Aitken Campbell have been satisfied and Union now holds a 14.9 per cent limited partner interest in the firm. This interest may be increased to 100 per cent.

Intervision still in the red

Intervision Video (Holdings), USM-quoted pre-recorded video tape distributor, has suffered a pre-tax loss of £186,000 for the six months to end-May 1985.

For the 17 months to November 1984 the company recored a loss of £1.96m, but comparatives this time are not shown, directors say, because of changes in the group's operations.

Turnover for the half year was £286,000, excluding the sales of Video Club (GB), its 50 per cent-owned related company.

Burton directors' £3m share sale profit

BY CHARLES BATCHELOR

SIX DIRECTORS of Burton Group, including Mr Ralph Halpern, the chairman, yesterday made a gross profit of a little more than £3m after exercising options on and then selling 551,600 of the retailing group's shares.

The directors exercised options to acquire 531,600 shares at 49p and sold them at £6 each. A further 20,000 shares were bought at 61p and sold for £6.

The options exercised represented 13.6 per cent of the total number held by Burton directors, including the two who did not exercise any options yesterday, retain 3.5m options.

Mr Halpern exercised options on 300,000 shares, Mr Charles Bracken on 65,000, Mr Laurence Cooklin on 23,000, Mr Gerald Slater on 50,800, Mr Michael Wood on 60,000 and Mr Robert Woodman on 52,800.

Mr Halpern said: "Share options are part of the remuneration package of our executives. The fifth consecutive year of profits growth announced (on Thursday) is a testimony to their abilities, now being rewarded."

Burton increased pre-tax profits by 42 per cent to a record £80.2m in the year ended August 1985. Turnover rose 32 per cent to £551m. During the year Buroton acquired Debenhams for £579m and Collier Holdings.

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, The Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS. Figures in parentheses show number of stocks per section	Fri Nov 22 1985 Index No.	Day's Change %	Est. Earnings Yield% (Max.)	Gross Div. Yield% (ACT at 30%)	Est. P/E Ratio (Net)	xd adj. 1985 to date	Thur Nov 21 Index No.	Wed Nov 20 Index No.	Tues Nov 19 Index No.	Year ago (approx.) Index No.	1985 High		1985 Low		Since Compilation High		Since Compilation Low	
1	CAPITAL GOODS (207)	585.04	+0.9	9.86	3.90	12.73	14.28	579.59	570.03	565.81	541.13	585.04	22/11	483.30	25/7	585.04	22/11/85	50.71	13/12/74
2	Building Materials (22)	646.03	—	10.20	4.15	12.24	15.38	645.74	640.51	634.94	512.48	646.03	22/11	472.11	26/2	646.03	22/11/85	44.27	11/12/74
3	Contracting, Construction (28)	953.68	+0.2	10.26	4.45	12.56	28.20	951.72	950.05	943.48	717.89	963.49	30/10	684.17	8/3	963.49	30/10/85	71.48	2/12/74
4	Electricals (13)	1582.38	+1.3	9.45	4.78	13.54	49.94	1561.37	1566.78	1573.99	1576.03	1701.64	22/1	1289.36	10/7	1909.93	3/6/83	84.71	25/6/62
5	Electronics (39)	1416.31	+2.8	10.72	3.20	12.33	31.22	1377.86	1320.68	1312.98	1934.12	1977.60	9/1	1229.01	8/10	2849.05	13/11/84	1229.01	8/10/85
6	Mechanical Engineering (61)	334.65	+0.3	10.21	4.34	11.86	8.77	333.58	331.42	328.10	262.89	334.65	22/11	263.85	25/7	334.65	22/11/85	45.43	5/1/75
8	Metals and Metal Forming (7)	243.73	—	9.04	6.56	13.50	6.83	243.66	242.80	240.96	160.06	243.73	22/11	165.08	14/1	243.73	22/11/85	49.65	6/1/75
9	Motors (17)	208.01	+0.2	12.04	4.22	10.01	5.02	207.64	207.88	205.19	136.61	208.01	22/11	142.57	3/1	208.01	22/11/85	19.91	6/1/75
10	Other Industrial Materials (20)	1059.62	+0.4	7.08	3.41	16.96	23.96	1055.75	1038.24	1031.91	763.24	1059.62	22/11	828.60	3/1	1059.62	22/11/85	277.55	15/1/81
21	CONSUMER GROUP (177)	779.33	+0.7	8.30	3.48	15.08	16.35	774.12	767.99	760.99	573.08	779.33	22/11	604.96	3/1	779.33	22/11/85	61.41	13/12/74
22	Brewers and Distillers (23)	816.29	+0.9	8.48	3.62	14.97	13.92	809.38	808.91	796.31	537.09	816.29	22/11	550.86	3/1	816.29	22/11/85	69.47	13/12/74
25	Food Manufacturing (22)	564.84	+1.6	10.52	4.35	12.25	15.55	556.11	546.83	545.94	451.45	564.84	22/11	471.62	25/7	564.84	22/11/85	59.67	11/12/74
26	Food Retailing (14)	1786.37	+1.2	5.87	2.41	23.17	23.60	1764.51	1751.47	1736.49	1351.94	1786.37	22/11	1400.36	1/3	1786.37	22/11/85	54.25	11/12/74
27	Health and Household Products (9)	1203.58	+1.6	6.36	2.72	18.45	18.90	1184.69	1171.79	1161.31	938.60	1203.58	22/11	980.65	11/4	1203.58	22/11/85	175.38	28/5/80
29	Leisure (24)	777.61	+0.2	7.29	4.27	17.61	23.43	776.22	770.89	767.78	646.49	777.61	22/11	590.69	12/7	777.61	22/11/85	54.83	9/1/75
32	Newspapers, Publishing (11)	1863.63	+0.1	7.26	5.24	17.42	57.69	1861.08	1881.93	1864.81	1361.13	1924.08	1/11	1445.15	3/1	1924.08	1/11/85	55.08	6/1/75
33	Packaging and Paper (13)	372.81	−0.1	9.64	4.17	12.44	9.30	373.27	375.08	372.55	267.64	377.13	9/9	286.36	3/1	377.13	9/9/85	43.46	6/1/75
34	Stores (42)	822.57	+0.5	6.38	2.65	21.27	14.09	818.61	808.56	798.98	524.13	822.57	22/11	529.47	19/2	822.57	22/11/85	52.63	6/1/75
35	Textiles (16)	378.67	+0.5	11.70	4.51	9.70	9.67	376.79	379.30	379.13	284.75	379.30	20/11	293.07	3/1	379.30	20/11/85	62.66	11/12/74
36	Tobaccos (3)	804.93	−2.0	16.74	5.58	6.80	30.77	821.23	814.13	808.08	738.25	1010.69	8/2	714.72	26/9	1010.69	8/2/85	94.34	13/6/62
41	OTHER GROUPS (98)	742.53	+0.5	8.68	3.88	14.90	15.61	738.64	733.46	719.73	501.19	742.53	22/11	605.99	3/1	742.53	22/11/85	58.63	6/1/75
42	Chemicals (18)	747.98	+2.1	13.20	5.10	10.01	26.47	732.50	726.73	713.55	654.89	832.26	22/2	645.96	26/9	832.26	22/2/85	71.20	1/12/74
44	Office Equipment (4)	230.21	+3.6	6.92	3.81	17.24	6.20	222.32	224.65	224.08	143.57	230.66	6/11	154.76	3/1	246.06	1/9/72	45.34	2/1/75
45	Shipping and Transport (11)	1349.27	−0.2	7.30	4.03	16.79	39.79	1351.95	1351.26	1357.08	897.62	1378.83	30/10	958.08	3/1	1378.83	30/10/85	90.80	29/6/62
46	Miscellaneous (63)	917.43	+0.6	7.06	3.57	17.42	15.89	911.63	902.51	896.81	712.97	917.43	22/11	787.88	26/7	917.43	22/11/85	60.39	6/7/75
48	Telephone Networks (2)	938.86	−0.3	8.04	3.52	16.53	14.38	942.07	935.66	905.60	0.0	942.87	21/11	701.92	3/1	942.07	21/11/85	517.92	30/11/84
49	INDUSTRIAL GROUP (482)	726.70	+0.7	8.78	3.69	14.39	15.86	721.65	714.61	706.59	557.84	726.78	22/11	599.75	3/1	726.70	22/11/85	59.01	13/12/74
51	Oils (18)	1210.14	—	15.54	7.23	7.89	60.66	1209.48	1194.03	1193.31	1052.00	1239.75	15/2	1042.21	3/1	1239.75	15/2/85	87.23	29/5/62
59	500 SHARE INDEX (500)	767.84	+0.6	9.61	4.13	13.06	19.45	763.12	755.39	747.90	599.06	767.84	22/11	636.98	3/1	767.84	22/11/85	63.49	13/12/74
61	FINANCIAL GROUP (116)	536.54	—	—	4.52	—	15.79	536.82	532.71	533.09	407.50	536.82	21/11	430.10	4/1	536.82	21/11/85	55.88	13/12/74
62	Banks (6)	552.39	+0.5	16.22	5.36	8.81	20.18	549.82	545.50	543.46	401.97	552.39	22/11	420.58	15/4	552.39	22/11/85	62.44	12/12/74
65	Insurance (Life) (9)	824.23	−0.5	—	4.13	—	23.40	828.12	821.62	818.45	472.63	828.12	21/11	580.95	4/1	828.12	21/11/85	44.88	2/1/75
66	Insurance (Composite) (7)	415.16	−0.7	—	4.74	—	13.06	418.00	410.47	415.10	525.25	418.00	21/11	303.16	25/2	418.00	21/11/85	43.96	13/12/74
67	Insurance (Brokers) (8)	1204.04	+0.1	7.03	3.59	19.04	29.71	1202.87	1196.79	1194.43	303.95	1248.70	15/3	1009.26	25/7	1248.70	15/3/85	68.86	16/12/74
68	Merchant Banks (11)	286.51	−0.3	—	3.59	—	5.80	287.37	286.09	287.00	895.55	290.23	18/11	220.65	3/1	290.23	18/11/85	31.21	7/1/75
69	Property (51)	695.00	+0.2	5.59	3.52	23.97	13.64	693.34	689.23	692.81	210.20	699.58	13/11	585.78	10/7	699.58	13/11/85	56.01	20/4/65
70	Other Financial (24)	307.23	−0.2	9.96	5.56	12.41	11.10	307.93	308.56	307.57	626.24	312.36	11/11	261.32	26/7	312.36	11/11/85	33.29	17/12/74
71	Investment Trusts (106)	643.08	+0.6	—	3.36	—	13.47	639.23	641.22	640.96	243.68	643.08	22/11	557.78	31/7	643.08	22/11/85	71.12	13/12/74
81	Mining Finance (3)	265.04	+0.6	12.62	5.86	9.22	10.48	263.46	261.57	256.46	544.92	311.08	15/4	240.28	5/8	337.57	10/4/84	66.31	30/9/74
91	Overseas Traders (14)	594.81	+1.3	13.09	6.72	9.08	28.59	587.27	580.56	574.68	287.55	687.15	22/1	562.27	15/10	687.15	22/1/85	97.37	6/1/75
99	ALL-SHARE INDEX (739)	699.64	+0.5	—	4.19	—	18.26	696.04	689.71	684.23	584.64	699.64	22/11	581.88	3/1	699.64	22/11/85	61.92	13/12/74

		Index No.	Day's Change	Day's High	Day's Low	Nov 21	Nov 20	Nov 19	Nov 18	Nov 13	Year ago	1985 High		1985 Low		Since Compilation High		Since Compilation Low	
	FT-SE 100 SHARE INDEX	1451.0	+7.9	1454.4	1445.2	1443.1	1424.3	1412.1	1405.1	1403.9	549.62	1451.0	22/11	1206.1	3/1	1451.0	22/11/85	986.9	23/7/84

FIXED INTEREST

	PRICE INDICES	Fri Nov 22	Day's change %	Thur Nov 21	xd adj. today	xd adj. 1985 to date
	British Government					
1	5 years	119.15	+0.07	119.07	—	10.54
2	5-15 years	133.53	+0.31	133.12	—	11.87
3	Over 15 years	138.72	+0.37	138.20	—	11.77
4	Irredeemables	151.00	+0.64	150.04	—	13.34
5	All stocks	131.04	+0.24	130.73	—	11.52
6	Debentures & Loans	111.66	+0.07	111.58	—	11.11
7	Preference	82.07	−0.01	82.08	—	6.27
	BRITISH GOVERNMENT INDEX-LINKED STOCKS					
8	All stocks	109.53	−0.05	109.58	—	2.69

	AVERAGE GROSS REDEMPTION YIELDS		Fri Nov 22	Thur Nov 21	Year ago (approx.)	1985 Highs		1985 Lows	
	British Government								
1	Low	5 years	9.93	9.94	10.37	11.56	28/1	9.75	18/10
2	Coupons	15 years	10.17	10.20	10.21	11.20	28/1	9.98	18/10
3		25 years	10.18	10.22	9.80	10.72	29/1	10.00	18/10
4	Medium	5 years	10.80	10.81	10.84	12.39	28/1	10.58	4/10
5	Coupons	15 years	10.51	10.55	10.60	11.63	28/1	10.30	18/10
6		25 years	10.16	10.23	10.01	10.97	29/1	9.96	18/10
7	High	5 years	10.89	10.92	10.88	12.53	28/1	10.65	4/10
8	Coupons	15 years	10.66	10.71	10.75	11.76	28/1	10.43	18/10
9		25 years	10.35	10.41	10.11	11.03	29/1	10.09	29/7
10	Irredeemables†		9.70	9.76	9.64	10.49	28/1	9.58	18/10
11	Debs &	5 years	11.39	11.38	11.61	12.63	29/1	11.06	10/10
12	Loans	15 years	11.30	11.30	11.53	12.37	29/1	11.04	21/10
13		25 years	11.21	11.23	11.45	12.37	29/1	10.99	21/10
14	Preference†		11.82	11.82	12.69	13.14	29/1	11.73	25/10
15	Inflation rate	5%	3.71	3.70	3.40	3.72	16/7	3.11	11/3
16		10%	3.52	3.50	3.21	3.55	14/11	2.94	11/3

Equity section or group	Base date	Base value	Equity section or group	Base date	Base value
Telephone Networks	30/11/84	517.92	Food Manufacturing	29/12/67	114.13
Electronics	30/12/83	1646.65	Food Retailing	29/12/67	114.13
Other Industrial Materials	31/12/80	287.41	Insurance Brokers	29/12/67	96.67
Health/Household Products	30/12/77	261.77	Mining Finance	29/12/67	100.00
Other Groups	31/12/74	63.75	All Other	10/04/62	100.00
Overseas Traders	31/12/74	100.00	British Government	31/12/75	100.00
Mechanical Engineering	31/12/71	153.84	Do. Index-linked	30/04/82	100.00
Office Equipment	16/01/70	162.74	Debs. & Loans	31/12/77	100.00
Industrial Group	31/12/70	128.20	Preference	31/12/77	76.72
Other Financial	31/12/70	128.06	FT-SE 100 Index	30/12/83	1000.00

† Flat yield. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4, price 15p, by post 28p.
CONSTITUENT CHANGES: Telefusion (34) has been deleted and replaced by Underwoods (34). NAME CHANGES: Carpets International and LRC International has changed their names to Delson Investments (35) and London International (27) respectively. DEBENTURES & LOANS: Scottish Northern Inv Tst 11¼% has been deleted but not replaced

Bid move pushes up Bairstow Eves shares

By Charles Batchelor

THE shares of Bairstow Eves, the estate agent and mortgage finance group, leaped 28p to 155p yesterday after the company announced it had received an approach which might lead to a takeover bid being made. At this share price, Bairstow is valued at £77.4m.

Bairstow is negotiating with the potential British bidder in the hope of reaching agreement on an acceptable share price, Mr John Bairstow, the chairman, said. "We see some merit if we can agree terms," he added.

If the talks are successful the merged grouping would extend Bairstow's mortgage finance related business.

Bairstow has been the subject of stock market speculation for some time, with financial groups and banks thought most likely to make an offer.

Bairstow became the first estate agency to obtain a stock market listing when it offered nearly half of its shares for sale at a price valuing the company at just under £6.8m in May 1982.

Since its public flotation Bairstow has expanded by means of a series of acquisitions of estate agents in the South of England. It moved North last July when it bought Bridgfords, an agency based in south Manchester for £2.4m.

In 1984, Bairstow carried out a one-for-three rights issue to raise £6.8m net of expenses.

In August, Bairstow reported a pre-tax profit of just over £2m for the six months ended June 1985, compared with £1.24m previously. Turnover rose from £6.5m to £9.3m.

Doubt over Berkeley Exp. as Elf directors resign

BY DOMINIC LAWSON

THE FUTURE of Berkeley Exploration & Production, the adventurous North Sea oil exploration company, was thrown into confusion last night by the breakdown of its merger talks with Petranol, and the resignation of two of its directors.

The two directors are Mr David Dixon and Mr Arnaud Rousseau, chairman and managing director of Elf UK, the British arm of Elf Aquitaine, the French state-controlled oil company. Elf has a 16 per cent stake in Berkeley.

Mr Rousseau said yesterday that they had resigned "because Elf wants to be free to dispose of its shares in Berkeley without any strings attached."

Charterhouse Petroleum, the UK oil company, has a 10 per cent stake in Berkeley and has long been seen as a potential bidder.

It said last night: "A conversation between us and Elf would now be natural. We are reviewing the situation with close interest." In June, Berkeley made a £10m agreed offer for Anvil Petroleum, a small UK oil company. Charterhouse voted against the merger.

It added yesterday: "It is now clear that Berkeley's management does not have the support of its two largest shareholders."

A year ago Elf and Charterhouse had a combined 51 per cent stake, but that has been diluted by a series of equity issues. Elf said yesterday that its belief that its stake would be further diluted to insignificant levels was a key factor in its plan to move now.

Mr Andrew Wilson, Berkeley chief executive, said that one reason for the breakdown of talks with Petranol was the opposition of Elf and the likelihood that it could persuade other institutional shareholders.

Elf denied that it had expressed a view on the talks with Petranol.

Mr Wilson added that Elf had previously been a block against predators for Berkeley. "That block has been removed, which is obviously a cause of considerable concern. If someone wants to be unpleasant, they can now start with 26 per cent of the equity."

It is possible that Elf and Charterhouse could find a predator to take both their stakes as a platform for a bid. One candidate might be Petranol, which initiated the merger talks with Berkeley.

Yesterday Berkeley's share price was unchanged at 87p, capitalising the company at £16.5m. Petranol's shares dropped 10p to close at 125p.

Recovery forecast by Sumrie

Sumrie Clothes, chaired by Mr Michael Hepker, about whom allegations have been made in connection with the Johnson Matthey Bankers affair, reported reduced pre-tax losses for the six months to September 27 1985.

During the period Mr Hepker's involvement lead to a slump in the share price and a row at the annual meeting when there was an attempt to block the re-election of two directors and the acceptance of the annual report.

Figures for the Leeds-based clothing manufacturer to the six months show that the pre-tax loss fell by 21 per cent from £173,000 to £137,000 on turnover of £1.32m, down by 13 per cent from the comparable £1.51m.

For the last full year the company suffered a loss before tax of £369,000 on turnover of £2.97m. It last reported profits for 1979-80. With the loss per share falling from 6.92p to 5.48p there is again no interim payment. The last dividend was a final in respect of the year to the end of March 1983.

The directors state that £110,000 of the loss was incurred in the first quarter and the company was moving towards profitability in the second half. They expect the trend to continue during the present half, resulting in a much improved result for the full year.

Against a background of improved trading in menswear and with a full order book to the end of the financial year, the directors are confident that Sumrie is on the road to recovery.

The trading loss came out at £105,000 (£183,000) and there was bank interest of £32,000 (£10,000). With again no tax charge and no extraordinary payments, against £55,000 last time, the retained loss came out at £137,000, compared with £228,000.

The shares closed unchanged at 36p. At one time, following the allegations about Mr Hepker, the price fell to 28p, against a high for the year of 82p.

Associated Heat climbs 31%

A SUBSTANTIAL recovery is being made by Associated Heat Services in the current year, following the setback in 1984-85 as a result of the miners' dispute.

For the first half ended September 28 1985 the group's pre-tax profit has risen by 31.2 per cent, from £1.3m to £1.71m. Earnings are ahead from 8.95p to 12.8p and the interim dividend is lifted from 3.3p to 4p.

The directors are confident that results for the full year to March 1986 will show a satisfactory increase in the level of revenue and profit. Last year the profit before tax fell from £3.71m to £3m but the dividend was lifted by 1p to 11p.

The group provides a comprehensive heating service, including installation and maintenance, and is headed by Lord Ezra, at one time chairman of the National Coal Board.

Turnover in the six months rose by some 21 per cent, from £16.53m to £20m, reflecting new business secured during the last year. The directors say the new contracts have tended to be larger than those of the more traditional business, and margins have been earned at a somewhat lower level than on older contracts.

The fall in oil prices during the summer has affected business, but among the new contracts were many involving conversions to coal fired boiler plant or the operation of existing oil fired installations

Operating profit advanced by 47 per cent, from £1.19m to £1.76m, but the pre-tax balance failed to hold this growth rate as it was subject to interest charges of £48,000 this time, compared with £111,000 received.

After tax £683,000 (£586,000) the net profit comes out at £1.03m (£716,000).

During the period the company has increased its activities in the use of refuse and industrial waste products as an energy source.

Spear & Jackson profit forecast

By Charles Batchelor

Spear & Jackson, the garden tool-maker, yesterday forecast a 28 per cent increase in pre-tax profits to at least £1.75m for the year ending March 1986, as a defensive move against the £13.5m takeover bid from James Neill Holdings.

Earnings per share are forecast to rise by 52 per cent to not less than 23p, and Spear intends to recommend a final dividend of at least 6.5p taking the total to at least 8p for the 15 months ending March, 1986. In the 12 months ended December 1984 the total was 6p.

Spear has changed its year end and has also forecast profits for the 15 month period of at least £2m and earnings per share not less than 26.1p.

The 9p dividend would be a base figure for future dividends covering 12 month periods, Spear said.

Spear's shares closed unchanged at 254p yesterday, while Neill's shares rose 2p to 160p valuing its three-for-two share swap at 240p per share.

Spear said profits would improve despite no contribution from its North American companies this year because of a downturn in the forest products industry cycle. In 1984 they contributed £650,000.

UK profits, however, quadrupled in the six months ended June 1985.

Mr Stephen de Bartolome, Spear's chairman, said Spear had borne costs of extracting itself from dying markets in the early 1980s but Neill had still to face the expense of extricating from the manufacture of obsolet and declining products.

Neill said that Spear's profit improvement was not very exciting

Croda £5m disposal imminent

Croda International, the chemicals group, is in talks aimed at selling its premier oil seedcrushing and edible oil refining operations in Hull. The cash deal, based on 9 per cent of Croda's assets at December 1984, is worth around £4.8m.

The prospective buyer is Cargill UK, the British subsidiary of Cargill Inc, the Minneapolis-based international marketer of grains, oil seeds and other agricultural commodities.

Croda, which recently reported a 20 per cent increase in interim pre-tax profits to £10.26m, said the Hull plant was a going concern and a further announcement would be made on completion.

Barbican making two purchases

THE STOCK Exchange has suspended trading in the shares of Barbican Holdings, an installer of intruder alarms, at the company's own request pending a major acquisition. At the suspension price of 31p Barbican is valued at £4.2m.

Barbican, formerly W. E. Nortoo (Holdings), plans to take a 51 per cent stake in Penrhos Electronics, a manufacturer of a computer-based process controller, for £510 and the provision of a £150,000 loan of working capital.

Barbican will take complete control of Penrhos for a further £1m subject to profits in the year ending June 1987 being not less than £500,000.

Barbican has acquired United Towel Company (1981) for £2 and the provision of a loan of £320,000 provided by its bankers United makes an annual profit of about £70,000.

It again paid no dividend for the year ended June 1985 after making a pre-tax loss of £363,000, compared with the loss of £956,000 in the previous 15 months.

Empire Stores

Two major foreign shareholders of Empire Stores (Bradford), the mail order group, yesterday increased their holdings in the company's equity.

Vendex International, the Dutch retailing group, bought a further 2.14m shares, or 5.72 per cent of Empire's equity, taking its holding to 7.48m shares or 20 per cent.

Gecos, a private Italian company, bought a further 759,000 shares taking its holding to 7.36m shares or 19.7 per cent.

Empire's shares rose 12p to 162p.

Fulcrum Investment

In the year ended October 31 1985 the Fulcrum Investment Trust has improved its net profits from £132,094 to £139,932, its earnings from 5.5p to 5.83p per share, and is lifting its dividend from 5.25p to 5.6p net with a second interim of 3.4p.

At the year end, net asset value per 25p income share came to 41.16p, compared with 41.08p a year earlier.

Asset Special shares rise on Guildhall acquisition

BY LIONEL BARBER

SHARES IN Asset Special Situations moved up sharply yesterday after news that the investment trust is to acquire Guildhall Investment Management, the fund management company controlled by Mr John Ritblat and Mr Brian Banks.

Asset shares yesterday rose 18p to close at 71p. The size of the deal was not disclosed.

Mr Brian Banks, a director of both companies taking part in the deal, said he intended to build up his private client list in a bigger arena. Asset Special Situations, a client of Guildhall, offered him this opportunity.

Mr Banks, formerly one of Mr Jim Slater's right-hand men, set up Guildhall almost exactly two years ago. He was helped with an investment of £10m provided by Mr Ritblat, chairman and managing director of British Land, the property investment and development company.

Both men are 50 per cent shareholders in Guildhall which has funds under management of £32m, Mr Banks said. Pre-tax profits to the end of March this year were £102,000.

After a lengthy spell as managing director of Britannia Arrow, following the Slater Walker collapse, Mr Banks built up an investment management business called Tower Assets. This was then bought by Dunbar, a small bank, which itself was subsequently purchased by Hambro Life. Mr Banks left Hambro Life to set up Guildhall.

Mr Banks said that in the year from September 1984, Asset had increased its asset value by 24 per cent to around £50.3m.

Needlers quote suspended

BY LIONEL BARBER

Needlers, the Hull-based sweet manufacturer, yesterday asked for its shares to be suspended at 150p pending an announcement. None of the directors were available for comment yesterday.

During the past week, Needlers, best known for its toffees, has moved sharply upwards from 120p on Monday morning, fuelling speculation that it is a bid target. At 150p, the company is valued at almost £3m.

Last March, Needlers announced pre-tax profits more than doubled from £190,000 to £437,000 for the year ending December 1984. Interim pre-tax profits this year slipped back to £178,000 (£210,000), however, a flood of cheap imported sweets being blamed.

At that time, Mr R. E. Needler, chairman, said he believed pre-tax profits for the year would exceed 1984's performance.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Associated Heat ......int	4	Jan. 27	3.3	—	11
Fulcrum Trust ...2nd int	3.4	Dec. 31	3.05	5.6	5.25
GT Global Rec. ......int	0.75	Jan. 16	0.75	—	2
Kwik Save	3.4	Jan. 14	2.8	4.8	4.1
M.M.T. Computing‡	2.8	—	2.25	4	3.25

Dividends shown in pence per share except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ USM stock. § Unquoted stock.

COMPANY NEWS IN BRIEF

STOCKHOLDERS INVESTMENT Trust raised net asset value, with prior charges at par, to 151.3p per share on October 31, against 148p a year earlier. It was 153.1 (150.1) with prior charges at market value. After tax of £1.75m (£1.48m) earnings per share were 3.21p (2.47p). A final dividend of 1.7p (1.4p), makes a total of 2.8p (2.35p) for the year.

OCEAN WILSONS (HOLDINGS), which has a UK investment portfolio and a Brazilian group of shipping services and port activities, recorded turnover down from £16.02m to £13.48m in the first half of 1985. Investment income fell from £133,000 to £118,000. After net UK interest received of £302,000 (£38,000) profit was £420,000 (£171,000). Profit before taxation of Brazilian operations was £1.39m (£1.44m). UK operating charges attributable to Brazilian operations rose to £73,000 (£66,000). After other operating charges of £188,000 (£136,000) pre-tax profits were £1.55m (£1.41m).

ALVA INVESTMENT Trust has cut its interim dividend from 1.6p to 1.3p for the half-year to August 31 1985. Net asset value per 25p share is down from 273.2p to 255.6p, and stated earnings per share are lower at 1.58p (1.61p). In contrast to last year, the company does not foresee the need for a further substantial reduction in the final dividend. Pre-tax revenue was £39,569 against £40,383. After tax of £11,871 (£12,115), attributable revenue was £27,698 (£28,268).

MURRAY TECHNOLOGY Investments has been hit by continuing decline in technology sector here and in US and at September 30 1985 its net asset value had fallen to 108.1p, from 133.52p at March 31 and 140.16p at September 1984. In half-year ended September 30 total revenue came to 217,000 (£276,000) and net revenue £45,000 (£75,000) for earnings of 0.3p (0.5p). Earnings for full year estimated at 0.2p (0.57p actual) and directors warn of a cut in the dividend from the previous 0.5p net.

FIRST LEISURE Corporation has acquired control of Whitegate Taverns, through the purchase of Whitegate's holding company, Tarncream from its shareholders, T. W. Allen, D. Ferguson, C. Brierley. Whitegate operates a chain of steak restaurants in the Manchester area.

INTERNATIONAL COMPANIES and FINANCE

Growth slackens at Japan's city banks

BY YOKO SHIBATA IN TOKYO

JAPAN'S 13 "city" or commercial banks improved their combined pre-tax profits by 1.2 per cent to Y545.5bn ($2.7bn) in the half-year to September as slower growth resulted from a narrowing in rate spreads.

This followed cuts in May and July, in long-term prime lending rates and an increasing dependence on costly market-orientated funding such as the country's newly introduced money market certificates and certificates of deposit.

Deposits reached Y123.113bn at the term end, up 3.6 per cent from the previous half-year to March and ahead by 2.9 per cent over the September 1984 half-year. This reflected increased deposits from big companies following a recovery in their business.

Loans by the 13 stood at Y117,745bn, up 5.5 per cent from the March half-year and 8 per cent above the September 1984 period. The gain was attributed to aggressive lending to medium and small-sized companies in an attempt to make up for the narrowing spreads between deposits and loans. At the same time, however, larger companies were turning to funds raised in the domestic and overseas capital markets.

Revenue from overseas operations advanced a comfortable 21.3 per cent to Y338.46bn, thanks to the sharp declines in interest rates abroad.

Operating profits before securities gains rose 27.1 per cent to Y480.95bn. This was assisted by a reduced level of special reserves for overseas credits and by the writing-off of bad loans which amounted to Y30bn for the 13 banks. Dollar-denominated overseas liabilities were reduced by the yen's steep appreciation towards the end of September.

JAPANESE COMMERCIAL BANKS

Parent company results for half-year to Sept. 85 (Sept. 84)

	Revenue (Ybn)	Pre-tax profits (Ybn)	Net profits (Ybn)
Daiichi Kangyo	1,067 (1,087)	72.94 (63.23)	35.06 (29.05)
Sumitomo	977 (991)	80.17 (74.66)	40.67 (35.91)
Fuji	977 (1,022)	75.59 (68.91)	37.25 (32.04)
Sanwa	889 (909)	61.44 (68.11)	34.15 (28.01)
Mitsubishi	883 (951)	60.51 (60.08)	35.64 (30.51)
Tokai	622 (641)	35.12 (37.50)	16.23 (17.63)
Tokyo	618 (721)	30.71 (44.51)	18.55 (13.69)
Mitsui	603 (664)	32.47 (34.60)	18.24 (17.07)
Taiyo Kobe	519 (509)	21.85 (23.15)	11.43 (9.10)
Daiwa	358 (334)	20.95 (16.52)	7.58 (7.56)
Kyowa	334 (308)	22.80 (16.48)	9.25 (6.59)
Saitama	305 (306)	17.05 (18.51)	7.58 (7.04)
Hokkaido Takushoku	263 (274)	13.88 (12.85)	5.49 (4.67)

OFS merger will boost dividends

Jim Jones in Johannesburg reports on the mining rationale behind Anglo American's planned four-way gold mining merger

ANGLO AMERICAN Corporation yesterday took the wraps off its Orange Free State mining merger which, when implemented, will create the world's largest gold mining company.

After almost a year of negotiations with the South African authorities and in-house evaluations of the individual mines, four mines are to be merged to form one operating company, Free State Consolidated Gold Mines (Freegold). This in turn will be controlled by two pyramid companies.

In Johannesburg, mining analysts were agreed that the merger terms were among the most complex ever seen. The four companies are Free State Geduld, President Brand, President Steyn and Western Holdings.

According to Mr Guy Young, the managing director of Anglo's OFS gold and uranium division, the merger will provide for the more efficient utilisation of existing shafts and treatment plants, and a more effective deployment of labour.

The four mines together process about 20m tonnes of ore and produce more than 113 tonnes of gold a year from 28 shafts and eight metallurgical plants. They have estimated proven ore reserves of about 350m tonnes containing about 2,500 tonnes of gold.

Anglo estimates that total reserves will be sufficient to maintain merged operations until about the year 2015. Less efficient working by the unmerged individual mines would, the house believes, result in large amounts of unpayable ore being left unmined.

Operating efficiencies resulting from the merger will permit ore to be extracted at lower pay limits, thereby allowing otherwise unpayable ore to be mined profitably.

The South African authorities have consistently declared their opposition to any merger scheme which would reduce the state's tax income. Other, earlier mergers have led to considerable losses of revenue.

The proposed OFS merger terms overcome this difficulty, in part through the introduction of a time dependent formula for calculating the mines' lease payments to the state. A variable single lease formula has been negotiated for Freegold which becomes more favourable as overall gold recovery grades decline with passage of time.

The merger has been criticised by mine investment advisors in Johannesburg and the US, who feel that it will lead to profits from the comparatively rich Brand and Steyn mines being diverted away from dividends and directed into otherwise unrewarding capital expenditure at the lower-grade FSG and Western Holdings properties. Anglo receives a management fee of about 3 per cent of the worth of any capital project.

Mr Young says, however, that no capital projects are being planned which would have to be abandoned if shareholders do not approve the merger and adds that at present there are no plans to increase capital spending as a result of the merger.

Anglo estimates that the merger will result in the production of an additional 40 tonnes of gold over the project's life, that more efficient use of existing facilities will lead to a saving of about R1.5bn in cost and capital expenditure, that the state will receive an additional R1.8bn in tax revenues, and that shareholders will receive R700m more in dividends. These benefits "are likely to become apparent in 1987."

Anglo and its associates own about 30 per cent of the shares of the four mines. Operational control of the companies is to be given to President Steyn, to be renamed Freegold. Shareholders of the mines will be offered direct and indirect equity participation in the merged company.

At least 50 per cent of Freegold's equity will be held by a newly-formed company, Orange Free State Investments (Ofsil), to comply with Johannesburg Stock Exchange regulations. A further 5 per cent to 25 per cent of Freegold's equity will be held directly by newly-named Welkom Gold Holdings with the precise percentage depending upon the extent of which shareholders in the four mines exercise various options.

Welkom Gold Holdings is called Welkom Gold Mining at present and owns 47.7 per cent of Western Holding's Equity. In addition Welkom will hold about 30 per cent of Ofsil.

Participation by Welkom and Ofsil in Freegold's control structure is designed to overcome the objections of US mutual funds which are prevented from having more than 5 per cent of their portfolios in any one company.

Terms of the offer are that FSG's shareholders can acquire 328 Freegold shores for every 100 FSG. Of these Freegold shares, 27 per cent will be compulsorily acquired by Ofsil which will issue 2.61 Ofsil shares for every Freegold share. In addition FSG shareholders may if they wish tender 6 per cent of their Freegold shares to Ofsil for Ofsil shares and or 33 per cent of their Freegold shares to Welkom for shares in Welkom. One Freegold share will be equivalent to 1.47 Welkom shares.

President Brand shareholders will be entitled to 184 Freegold shares for every 100 President Brand. As with the FSG offer, 27 per cent of the Freegold shares received are compulsorily convertible into Ofsil shares and the Brand shareholder may choose to convert his Freegold shares into Ofsil or Welkom on the same terms.

President Steyn is to make a one-for-one scrip issue and, when the company's name is changed to Freegold, Steyn shareholders will compulsorily hand over 27 per cent of their Freegold shares to Ofsil in exchange for Ofsil shares. They will have the same voluntary conversion options as FSG and Brand shareholders.

Western Holdings shareholders will be entitled to 100 Ofsil shares for every 100 Western Holdings, and they may tender 33 per cent of them to Anglo American or Anglo American Gold for shares in Freegold and a cash adjustment.

Anglo calculates on 1984 figures that merger would have improved President Steyn's dividend income by 14.5 per cent, President Brand's by 8.5 per cent and FSG's by 1.5 per cent. Western Holding's shareholders would have suffered a 14.1 per cent reduction in dividend income, but, Mr Young says, they will enjoy better longer-term dividend prospects.

Trading in the shares of Welkom and the four operating mines will resume on Monday, and shareholders will vote on the merger proposals on January 13. The scheme is expected to receive final sanction by South Africa's Supreme Court on February 10.

Bank creditors cool on Pan-Electric rescue plan

BY CHRIS SHERWELL IN SINGAPORE

BANK CREDITORS of Pan-Electric Industries, the financially troubled Singapore company, failed yesterday to respond to a rescue package put forward by Mr Tan Koon Swan, the Malaysian entrepreneur who holds a 22.6 per cent stake in the company through Sigma International.

Trading in Pan-Electric, Sigma and a third quoted company, Growth Industrial Holdings, which holds 31.6 per cent of PanElectric, was suspended earlier this week after Pan-Electric defaulted on a S$7.5m (US$3.6m) loan repayment.

Pan-Electric has total debts of S$400m, and its default stunned the stock market which has seen the Straits Times index shed almost 30 points since the close on Monday.

A steering company representing 30 banks, most of them foreign, was continuing a fifth day of talks last night.

Mr Tan is widely expected to win a protracted battle for the leadership of Malaysia's main Chinese political party this weekend, and for him the Pan-Electric crisis could not have come at a worse time.

Partly because the reverberations of a collapse would spread so wide, hopes have been pinned on Mr Tan bailing out the company, despite his small shareholding and lack of direct involvement in its management.

Pan-Electric's bank creditors, concerned specifically about the debt repayment the company has failed to meet, have apparently found it difficulty to the rescue proposals.

They sought an opinion yesterday from the Monetary Authority of Singapore, the island state's bank regulatory authority, which has so far remained largely on the sidelines.

VW board wants details of Seat debt

By Jonathan Carr in Frankfurt

MAJOR ISSUES still need to be clarified in negotiations before Volkswagen, the West German vehicle maker, can take a majority stake in Seat, the Spanish state-owned car manufacturer.

According to a VW statement, the questions include how Seat's accumulated debt is to be handled and the company restructured before VW acquires a holding. Future product policy and factory modernisation also need clarifying.

The statement follows a meeting yesterday by the VW supervisory board which "took note of the negotiating aim" of the managing board.

VW and Seat have had a co-operation agreement since 1982. Word that VW was considering taking a stake in the Spanish concern emerged at the start of this year.

Orient Overseas dives into red

BY DAVID DODWELL IN HONG KONG AND CARLA RAPOPORT IN TOKYO

ORIENT OVERSEAS (Holdings), the publicly quoted arm of the troubled Hong Kong-based C. H. Tung shipping group, slid into losses after extraordinary provisions of HK$1.78bn (US$228.1m) in the first six months of this year.

The company revealed the loss yesterday in a letter to shareholders outlining plans to restructure the finances and shipping operations of the group. Its problems are seen largely as a symptom of the crisis in the world's shipping industry, where an oversupply of tonnage has so depressed freight rates that many shippers are unable to cover basic overheads.

It was learnt this week that Orient Overseas, with its privately controlled parent, has debts amounting to about US$2.4bn as a result of ambitious new ship ordering. The debts of Orient alone, which include capitalised leases, stood at HK$7.25bn on June 30, the company said.

Japanese financial institutions, which are owed about half the US$2.4bn, remain undecided on whether to accept an interim proposal aimed at staving off the collapse of the private arm of the group.

According to an adviser to the private arm, the Japanese banks have given "tacit" approval to an interim repayment proposal, pending a full restructuring plan early next year. Subsequently, however, bankers in Tokyo have pointed out that no agreement between the two sides has been reached.

Japanese creditors overall are owed more than 60 per cent of the US$1.2bn debt held by the private arm of the Tung group. They also hold 25 per cent of the Orient Overseas debt. If the Japanese decide against Tung's plans, bankers say that the entire Tung empire, both public and private, would be seriously imperilled.

The restructuring proposals for Orient Overseas, of which C. H. Tung owns more than 80 per cent, involve forming a new container group that would include its terminal and shipping operations, and reducing debts over a two-year period.

Orient Overseas operates 55 ships, and its main business is a container line. It controls Furness Withy of the UK, although this company would not be absorbed into the new container group under the plan.

Operating profits after interest charges for Orient Overseas in the six months to June were HK$102m against HK$149m. However, after extraordinary provisions linked with vessel disposals, and due to debts owing from the private Tung group, the loss attributable to ordinary shareholders was HK$1.78bn. Net profits for the 1984 first half were HK$53.3m.

The company reported that all shipping divisions showed operating profits, despite depressed market conditions. These were eradicated, however, by debt interest charges, which are costing the group about US$190m a year at present.

Mr C. H. Tung, who heads the parent group, met in Tokyo on Monday with 70 banks that are owed nearly US$1bn by the 500 companies in his private group. He agreed to resume interest payments on his debt after a two-month lapse.

The interim proposal for the private Tung group apparently calls on the creditors to accept a portion of Tung's operating margins on an "equitable basis." It is understood that operating profits per year are currently around US$50m, which is about 4 per cent of the total amount owed.

"This would mean it will take Tung 20 years to pay back the loans, but the ships have a lifetime of only 10 years at most," said a banker in Tokyo yesterday.

"It looks like the banks will have to take some loss if we want to keep the company viable, but whether or not we will accept their (Tung's) proposals is still unclear," said another creditor.

LONDON TRADED OPTIONS

Option		Calls Jan.	Calls Apr.	Calls July	Puts Jan.	Puts Apr.	Puts July
B.P. (*606)	500	118	128	—	1½	3	—
	550	68	80	52	3	18	25
	600	27	38	47	80	40	45
Cons. Gold (*512)	430	110	120	127	1½	5	10
	460	84	20	27	0	15	26
	500	55	62	75	24	40	47
	550	24	37	45	52	34	72
Courtaulds (*185)	130	05	57	—	1	1½	—
	140	43	47	00	1½	1½	3
	160	55	22	32	2½	5	7
	180	8½	15	15	8	10	13
Com. Union (*250)	200	44	51	—	1½	2½	—
	220	25	05	—	3	5	—
	240	15	83	51	8	14	17
	250	6	12	31	24	22	30
Distillers (*420)	460	32	68	83	5	13	28
	500	25	45	23	30	57	42
	550	15	33	33	32	87	56
G.E.C. (*126)	140	52	52	—	3	3	—
	160	53	42	50	3	5	3
	180	17	22	34	0	10	12
	200	5½	12	—	12	19	—
Grand Met. (*525)	580	183	125	—	1	1	—
	500	103	105	—	1	1	—
	530	73	75	55	2	3	4
	360	47	05	73	3	8	10
	590	21	28	45	10	13	30
I.C.I. (*732)	600	147	154	164	1½	4	8
	650	100	107	117	0	18	20
	700	54	63	77	15	57	40
	750	35	—	—	48	—	—
	800	7½	—	—	90	—	—
Land Sec. (*355)	260	63	—	—	1½	—	—
	280	43	01	—	1½	4	—
	300	24	33	43	5	9	18
	330	8	15	23	18½	22	25
Marks & Sp. (*189)	130	35	03	—	1	1½	—
	140	52	56	—	1	2	—
	160	32	36	42	1½	4	5
	180	15	19	28	6	8	11
	200	5	8½	13	17	20	28
Shell Trans (*686)	550	52	62	72	8	22	37
	700	20	22	40	25	45	50
	750	5	12	—	70	80	—
Traf'gar Hse (*384)	350	57	63	58	1½	2	4
	360	50	58	46	5	10	14
	390	13	25	29	15	20	24

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
BAT Inds (*288)	260	40	47	—	4	6	—
	280	22	38	42	8	11	14
	300	16	25	38	80	20	27
	330	6	12	—	45	45	—
Barclays (*459)	380	110	115	—	8	3	—
	590	80	83	—	4	7	—
	420	52	52	72	8	12	17
	460	85	55	37	22	30	37
Brit. Aero (*463)	330	145	180	—	1	1	—
	360	115	109	—	2	1½	—
	590	88	83	—	2	5	—
	420	50	75	87	10	15	22
	460	35	45	67	20	25	52
BritTelecom (*204)	160	49	—	—	0½	—	4½
	180	29	34	40	1½	3	11
	200	12	19	83	8	9	18
	220	4½	8½	12	17	18	18
Imperial Gr. (*217)	160	64	57	—	1½	2	—
	180	45	48	—	2	4	—
	200	27	58	38	5	9	8
	220	14	16	23	13	15	17
LASMO (*258)	240	38	48	53	10	16	15
	260	28	57	42	20	25	30
	280	12	26	50	30	05	40
	300	11	80	—	45	50	—
LONRHO (*187)	140	57	69	—	1½	1½	—
	160	57	40	43	3	2½	5
	180	23	25	37	6	3	10
	200	13	15	17½	16	13	20

Option		Calls Feb.	Calls May	Calls Aug.	Puts Feb.	Puts May	Puts Aug.
P. & O. (*488)	390	52	58	—	5	10	—
	420	30	58	40	14	22	35
	460	13	20	27	55	40	45
Racal (*142)	120	52	38	—	5	4	—
	130	20	22	05	5	7	0
	140	14	18	20	10	14	15
	150	3	12	—	85	24	—
R.T.Z. (*547)	500	62	77	87	5	15	20
	550	37	45	55	25	53	47
	500	10	28	—	65	75	—
Vaal Reefs (*$69)	45	20	28	—	0¾	1	—
	50	21	54	—	1¼	1¾	—
	60	14	17	12	5½	5¼	7¼
	70	2½	11	13	0½	2¼	11

Option		Calls Nov.	Calls Feb.	Calls May	Puts Nov.	Puts Feb.	Puts May
Ex 10% 1082 (*£98)	96	1¼	5⅛	—	0⅛	0⅜	—
	98	0⅛	0⅛	—	0⅛	0⅛	—
	100	0⅛	0⅛	—	8⅛	5⅛	—
Tr. 11¾% 1991 (*£110)	102	—	—	3¼	—	—	0⅛
	104	—	—	1⅛	—	—	1¼
	106	—	—	0⅛	—	—	2⅛
Tr. 11¾% 03/07 (*£104)	106	4⅛	4½	—	0⅛	0⅛	—
	108	3⅛	2⅛	3⅛	0⅛	0⅛	0⅛
	110	0⅛	1½	2⅛	0⅜	0⅛	1⅛
	112	0⅛	0⅝	1⅛	2⅛	5¼	2⅛

Option		Calls Dec.	Calls Mar.	Calls June	Puts Dec.	Puts Mar.	Puts June
BTR (*398)	350	55	—	—	2	—	—
	360	—	56	68	—	8	15
	373	38	—	—	3	—	—
	050	18	07	45	10	17	22
Beecham (*315)	280	35	45	52	3	3	11
	300	16	28	40	12	17	23
	330	5	14	20	36	30	38
	360	2	3	—	57	57	—
Bass (*275)	550	145	107	172	2	4	7
	500	93	107	125	2	0	10
	650	50	32	77	10	20	25
	700	13	50	40	50	32	55
De Beers (*$490)	560	115	152	140	2	7	11
	420	90	100	115	4	10	23
	460	53	70	80	25	33	40
	500	25	43	—	—	55	—
GKN (*274)	240	41	45	54	1	5	7
	260	22	34	43	3	8	12
	280	10	12	27	12	13	21
Glaxo (*1565)	1400	186	245	285	10	22	36
	1450	135	205	240	15	25	46
	1500	105	175	210	22	40	50
	1550	75	140	175	45	63	80
Hanson (*224)	133	33	—	—	1	—	—
	200	—	37	41	—	3	5
	515	15	—	—	0	—	—
	220	—	22	27	—	12	18
	235	3	—	—	13	—	—
Jaguar (*557)	550	79	85	08	1	1½	1
	280	32	66	74	1	3½	3
	500	40	49	60	8½	0	12
	550	17	30	42	8	12	21
Thorn EMI (*419)	530	85	73	85	5	3	8
	590	55	47	57	0	12	17
	420	13	50	40	18	23	32
Tesco (*295)	236	45	—	—	1	—	—
	250	—	50	57	—	5	8
	280	23	33	40	0	0	13
	300	8	20	20	13	13	8

Option		Calls Nov	Calls Dec.	Calls Jan.	Calls Feb.	Puts Nov.	Puts Dec.	Puts Jan.	Puts Feb.
FT-SE Index (*1448)	1525	127	—	128	—	1	—	4	—
	1350	100	102	103	—	1	4	8	—
	1375	75	77	87	97	1	5	13	20
	1400	49	57	83	73	1	11	20	30
	1425	—	38	45	55	—	20	50	42
	1450	—	18	30	40	—	30	44	54

November 22 Total contracts 21,331 Calls 16,481 Puts 4,850
*Underlying security price

EUROPEAN OPTIONS EXCHANGE

Series		Feb. Vol.	Feb. Last	May Vol.	May Last	Aug. Vol.	Aug. Last	Stock
GOLD C	$340	34	4.70	—	—	—	—	$327.10
GOLD C	$350	102	5	—	—	—	—	
GOLD C	$360	—	—	10	5	—	—	
GOLD P	$330	—	—	35	0.60B	210	0.20	
		Dec.		March		June		
$/FL C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
		Jan.		Apr.		July		
ABN C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AEGN C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AH C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AKZO C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
AMRO C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
GIST C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HEIN C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
HOOG C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
KLM C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NEDL C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
NATN C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PETR C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
PHIL C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
RD C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
ROBE C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
UNIL C–P	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOTAL VOLUME IN CONTRACTS: 47,316
A=Ask B=Bid C=Call P=Put

Over-the-Counter Market

High	Low	Company	Price	Change	Gross div (p)	Yield %	P/E Actual	P/E Fully taxed
146	123	Ass. Brit. Ind. Ord	123xd	—	6.6	5.4	6.8	8.1
151	130	Ass. Brit. Ind. CULS	130	—	10.0	7.7	—	—
77	43	Airsprung Group	59	—	6.4	10.8	9.8	12.8
46	26	Armitage and Rhodes	43	—	4.3	10.0	5.2	6.4
166	108	Bardon Hill	166	+1	4.0	2.4	21.0	21.8
64	42	Bray Technologies	52	—	7.9	7.5	6.3	7.3
201	145	CCL Ordinary	145	—	12.0	8.3	3.5	3.4
152	103	CCL 11pc Conv. Pf.	103	—	15.7	15.2	—	—
130	10	Carborundum Ord.	120xd	—	4.9	4.1	5.6	8.3
93	83	Carborundum 7.5pc Pf.	93	—	10.7	11.5	—	—
73	46	Deborah Services	58	+1	7.0	12.0	8.0	7.2
32	21	Frederick Parker	21	—	—	—	—	—
83	33	George Blair	75	—	—	—	3.1	5.3
50	20	Ind. Precision Castings	45xd	—	3.0	8.8	11.2	9.2
218	177	Isis Group	181	—	15.0	8.3	13.2	20.8
124	101	Jackson Group	110xd	—	5.5	5.0	7.4	7.4
285	213	James Burrough	275	+2	15.0	5.5	8.7	8.7
95	83	James Burrough 9pcPf.	95	—	12.9	13.8	—	—
95	71	John Howard and Co.	78xd	+1	5.0	6.4	5.2	8.8
225	100	Linguaphone Ord.	180s	—	—	—	5.8	8.9
100	90	Linguaphone 10.5pc Pf.	90s	—	15.0	16.7	—	—
650	300	Minihouse Holding NV	570s	—	6.6	1.2	24.9	23.7
120	31	Robert Jenkins	73	—	—	—	9.5	20.2
60	28	Scruttons "A"	31	—	—	—	—	7.6
92	61	Torday and Carlisle	68	—	5.0	7.4	3.4	8.2
444	320	Travion Holdings	330	—	4.3	1.3	18.8	12.4
36	17	Unilock Holdings	36	—	2.1	5.8	8.8	8.8
122	81	Walter Alexander	121	—	5.5	7.1	8.8	8.3
247	196	W. S. Yeates	200	—	17.4	8.7	5.7	8.8

s=Suspended.

WORLD STOCK MARKETS

WALL STREET

Dow Jones at another record high

WALL STREET share prices coontinuod to rise oerly yostarday afterooon, improviog on Thursday's record lovols.

The Dow Jonos Industrial Averege was up six points to 1,468. Advaoces lod declinos by an oigbt-to-seven margin oo hoavy volumo of 89.27m shares.

Westinghouse Electric led the actives, up ½ $46⅛, and Sterling Drug rose 3½ to $39⅞ amid takeover rumours. Sterling declined comment as did Pfizer, mentioned as a possible suitor.

Campbell Soup was up 4¾ to $51. A spokesman said no announcements that would account for the increase were expected at the annual meeting yesterday.

Earlier, Schlumberger rose ⅛ to $34⅞ and Halliburton, planning a 10m share buyback, was up 1⅛ to $27½.

AMR Corp was off ⅞ to $40⅛. UAL, which fell 1½ on Thursday was off ⅞ to $47⅞ after its chairman, Mr Richard Ferris, said competition would squeeze profits early next year.

CANADA

Toronto stock prices took a breather after setting a record high close on Thursday in active midsession trading.

The Composite Index fell 0.33 of a point to 2838.40, low for the session, on turnover of 10.9m shares. Gains edged losses 283 to 249.

Gold mining issues, which helped spark the previous session's gain, remained strong as Lac Minerals firmed ¼ to C$36, Echo Bay was up ⅛ to C$18⅞ and Dome Mines added ⅛ to C$13⅛.

Dome Petroleum, another recent winner after reporting improved third quarter and nine-month results, lost 10 cents to C$3.35.

Closing prices for North America were not available for this edition.

TOKYO

Prices rose sharply in active trading, but closed below their highs due to profit-taking.

The market average surged 101.6 at the start of the afternoon, but slipped back to end up 62.31 at 12,759.33, a swifter rise than Thursday's 54.13. Turnover was 430m shares against 340m on Thursday.

Higher-than-expected US third quarter GNP figure and a positive outcome for the US-Soviet summit spurred gains. But profit-taking, uneasiness over rapid rises and worry over trade friction tempered investors' enthusiasm.

Reports that the US House Energy and Commerce Committee approved a 25 per cent import surcharge bill helped push international populars off early highs.

Issues expected to benefit from urban redevelopment plans, such as properties and warehouses with large landholdings, lost early gains on profit-taking. Construction and utilities expected to benefit from the stronger yen, also rose.

SINGAPORE

Share prices closed mixed on some covering interest and selective selling pressure in fairly active trading.

The Straits Times Industrial Index fell 0.99 points to 733.0 and the Stock Exchange All Shares Index 0.17 to 266.15. Turnover declined to 15m units from 15.8m on Thursday.

Grand United Holdings, the most active counter with a turnover of 1.9m shares, closed 6 cents higher at $1.31. Supreme Corp rose 6 cents to $1.35 and Sime Darby gained 1 cent to $1.49.

AUSTRALIA

Shares were boosted by record highs on Wall Street coupled with a firmer Australian dollar.

At the close, the All Ordinaries Index firmed 7.6 to 991.8, the All Industrials Index 10.3 to 1458.4 and the All Resources 5.5 to 631.2. The Gold Index rose 4.0 to 939.1.

A highlight was a late sale by FAI of 114m shares in Offshore Oil NL, representing 19.99 per cent of the company, at 3 cents a share yielding FAI a profit of A$25.12m.

FAI closed 30 cents higher at A$24.80 while Offshore closed steady at 15 cents.

BHP, in the absence of buying by Bell chief Mr Robert Holmes à Court, rose two cents to A$8.60 while CRS gained three to A$8.36, CRA to A$ 5.46 and North Broken Hill 5.0 to A$ 2.15.

Industrial stocks were at the forefront of gains with Adsteam firming 40 to A$ 9.40, IEL 28 to A$ 7.89, Hooker Corp. 11 to A$3.20 and Lend Lease 8.0 to A$ 6.30.

Elders added five to A$2.80, James Hardie, seven to A$ 3.22, Pioneer Concrete three to A$2.25, Dunlop Olympic five to A$ 2.40 and Boral two to A$ 3.15.

HONG KONG

The Hang Seng index fell sharply losing nearly 50 points because of concern over Hong Kong's future following a warning about political reforms by a senior Chinese official.

The fall to 1,712.82, was the biggest one-day loss since June 11 when it tumbled 79.74 points on news of the near collapse of the Overseas Trust Bank.

Xu Jiatun, head of the New China News Agency, warned against hasty democratic reform in the British colony, and said there were signs of deviation from the Sino-British accord that returns Hong Kong to China in 1997.

There was heavy selling across the board as investors reacted to the news by profit-taking after the index posted new four-year highs in the past three days.

Among leaders Swire "A" fell HK$1.50 to HK$29, Hutchison Whampoa HK$1 to HK$26.80, Cheung Kong 80 cents to HK$20.30, Jardine Matheson 70 cents to HK$12.80, HK Wharf 25 cents to HK$7.45, HK Land 25 to HK$6.55 and HK Bank 15 to HK$7.70.

Although the market remains strong on fundamentals, brokers now doubt the index can climb over the 1,800 level by the end of 1985.

A few stocks were immune to the political concern. Among them Evergo edged up 1 cent to 70 cents, while Lambda eased 2 cents to 83 cents and Chuang's (Holdings) two to 59 cents. The stocks were pending further development on offers for Lambda and Chuang's shares by Evergo.

GERMANY

Stocks closed mostly firmer after a mixed start as buoyancy on Wall Street spilled over to the Frankfurt bourse.

The strong West German economic outlook for 1986 underscored the firmer tone. Expectations of favourable company results to be announced soon, added to strong sentiment.

The Commerzbank index of 60 leading shares, calculated at midsession, rose 8.8 points to 1,773.4 after yesterday's 1,764.6 and is now only eight points from its record high of 1,781.4 reached on November 4.

The banking sector was mixed with Deutsche and Commerzbank losing DM 0.50 to DM 712 and Dresdner adding DM 1 to DM 344.50. In cars, VW gained DM 4 to DM 415, but BMW and Daimler lost DM 1.50 to DM 600 and DM 1,229.

Chemicals were firmer, spurred by Hoechst's release of first nine month results and expectations of favourable interim reports by its competitors BASF and Bayer. Hoechst added DM 2 to DM 258.50. Bayer rose DM 1.50 to DM 261.50 and BASF gained DM 2.50 to DM 270.

Retailers gained on expectations of strong Christmas demand. Karstadt rose DM 12 to DM 333, Kaufhof added DM 7 to DM 335 and Horten DM 6 to DM 218.

BRUSSELS

Prices rose sharply in very active trading following the tentative agreement reached between Liberal and Christian-Democratic parties to form a new centre-right coalition government.

Prices were boosted by foreign buying and Belgian joint investment funds' purchases.

Interest was most marked in holding company stocks with Societe Generale gaining 10 francs to 2360 and Sofina up 40 to 5390, while GBL was up 50 francs to 2790.

Foreign investors showed great interest in glass makers Saint-Roch, up 110 to 2260, and in chemicals giant Solvay, up 340 to 6540 in booming trading.

Indices

NEW YORK

DOW JONES

	Nov. 21	Nov. 20	Nov. 18	Nov. 13	Nov. 15	1985 High	1985 Low	Since Comp'n High	Since Comp'n Low
◆Industrl's	1462.27	1439.22	1438.89	1440.02	1435.09	1402.27 (21/11)	1184.96 (4/1)	1462.27 (21/11/85)	41.92 (2/7/32)
Home Bnds	81.01	81.02	81.24	81.20	81.12	81.01 (21/11)	72.27 (20/3)	—	—
Transport..	688.87	685.74	683.52	681.88	684.03	703.6 (17/7)	563.03 (4/1)	708.6 (17/7/85)	12.52 (8/7/32)
Utilities.....	166.05	164.60	165.21	165.26	166.78	168.81 (12/7)	140.54 (4/1)	168.91 (12/7/85)	10.5 (28/4/42)
TradingVol 000's	150,620	105,100	126,140	108,308	160,340	—	—	—	—

◆Day's High 1466.00 (1451.49) Low 1430.79 (1429.24)

	Nov. 15	Nov. 8	Nov. 1	year ago (approx)
Industrial dividend yield %	4.40	4.48	4.54	4.91

STANDARD AND POORS

	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 15	1985 High	1985 Low	Since Comp'n High	Since Comp'n Low
Industrials.	224.04	221.34	220.90	220.94	220.06	224.04 (21/11)	128.24 (4/1)	894.04 (21/11/85)	3.09 (30/6/32)
Composite	201.45	198.98	128.67	798.70	198.11	207.43 (21/11)	163.68 (4/1)	201.45 (21/11/85)	4.40 (1/6/32)

	Nov. 13	Nov. 6	Oct. 30	year ago (approx)
Industrial div. yield	3.62	3.66	3.71	4.07
Industrial P/E ratio	13.38	13.10	12.71	10.69
Long Gov. Bond yield	10.03	10.15	10.28	11.71

N.Y.S.E. ALL COMMON

Nov. 21	Nov. 20	Nov. 19	Nov. 18	1985 High	1985 Low
115.12	114.79	114.82	114.66	116.19 (21/11)	94.60 (4/1)

Rises and Falls

	Nov. 21	Nov. 20	Nov. 19
Issues Traded....	2,044	2,013	2,031
Rises..........	1,258	743	1,004
Falls	409	701	691
Unchanged	377	479	406
New Highs......	194	109	139
New Lows......	12	14	13

TORONTO	Nov. 21	Nov. 20	Nov. 19	Nov. 18	1985 High	1985 Low
Metals & Minerals	1910.4	1876.5	1837.4	1847.7	2190.07 (13/2)	1740.82 (31/10)
Composite	2838.7	2811.6	2705.0	2781.7	2858.7 (21/11)	2348.5 (8/1)
MONTREAL Portfolio	157.76	156.25	155.22	154.66	159.33 (12.7)	117.00 (4/1)

NEW YORK ACTIVE STOCKS

Thursday	Stocks traded	Closing price	Change on day
AT&T	2,903,200	23¾	+ ⅛
Texaco	2,938,800	35¾	+ ⅛
Baxter Trav.	2,656,100	13½	− ¼
Allied Signal	2,344,700	45⅝	+ ⅛
AMR	2,138,900	41⅛	—
Eastman Kodak	1,854,300	48⅞	+ 1⅛
IBM	1,715,000	140¼	+ 1¼
Beatrice	1,383,600	46⅛	—
Sea-Land	1,320,200	24½	+ ¼
United Air	1,307,200	42⅛	− 1½

	Nov. 22	Nov. 21	Nov. 20	Nov. 19	1985 High	1985 Low
AUSTRALIA All Ord. (1/1/80)	991.00	984.5	986.4	983.0	1052.2 (25/10)	715.3 (7/1)
Metals & Mnls. (1/7/80)	490.70	485.5	489.8	488.5	563.6 (20/5)	362.5 (7/1)
AUSTRIA Credit Aktien (2/1/62)	115.72	113.06	110.03	107.07	115.72 (22/11)	58.27 (24/1)
BELGIUM Brussels SE (5/1/00)	2982.54	2961.02	2947.28	2919.09	2982.54 (22/11)	2090.7 (19/1)
DENMARK Copenhagen SE (3/1/85)	222.65	221.86	227.77	229.40	257.57 (24/70)	768.44 (6/1)
FRANCE CAC General (31/12/82)	245.60	255.6	258.7	256.2	248.60 (22/11)	180.9 (8/1)
Ind Tendance (28/12/84)	139.90	159.0	106.2	136.0	139.8 (21/11)	100.1 (5/7)
GERMANY FAZ Aktien (31/12/58)	601.08	597.00	(c)	506.76	601.98 (22/11)	382.39 (5/1)
Commerzbank (1/12/85)	1775.40	1764.6	(c)	1742.7	1781.4 (4/11)	1111.6 (3/1)
HONG KONG Hang Seng Bank (31/7/64)	1712.82	1762.51	1757.29	1784.66	1762.51 (21/11)	1220.74 (2/1)
ITALY Banca Comm Ital. (1972)	423.78	425.52	422.84	425.82	426.75 (22/11)	229.58 (2/1)
JAPAN** Nikkei (16/5/49)	12759.33	12697.0	12642.9	12607.3	13055.5 (15/10)	11545.2 (5/1)
Tokyo SE New (4/1/68)	1880.5	1001.22	999.68	981.63	1057.56 (10/7)	918.65 (4/1)
NETHERLANDS ANP-CBS General (1970)	255.70	230.0	256.1	255.5	258.70 (22/11)	185.6 (8/1)
ANP-CBS Indust (1970)	214.50	213.6	211.4	210.9	214.50 (22/11)	147.9 (5/1)
NORWAY Oslo SE (4/1/83)	405.39	404.51	405.07	405.41	412.56 (12/11)	298.10 (2/1)
SINGAPORE Straits Times (1966)	733.00	733.99	747.65	756.80	862.65 (7/3)	717.50 (15/7)
SOUTH AFRICA JSE Gold (28/2/78)	(u)	—	1224.0	1703.0	1224.0 (20/11)	829.6 (5/8)
JSE Indust (28/9/78)	(u)	—	1097.9	971.6	1038.0 (10/7)	767.7 (7/8)
SPAIN Madrid SE (28/12/84)	786.72	107.34	156.70	135.85	137.54 (21/11)	101.48 (2/1)
SWEDEN Jacobson & P (1/1/56)	1652.20	1575.68	1619.72	7615.80	1652.20 (22/11)	1205.32 (5/7)
SWITZERLAND Swiss Bank Cpn (31/12/58)	556.60	556.3	556.4	556.2	558.60 (22/11)	568.7 (8/1)
WORLD Capital Intl. (1/1/70)	—	245.10	240.4	232.7	245.10 (21/11)	104.0 (4/1)

** Saturday November 16: Japan Nikkei 12,679.6. TOE 994.65.

Base value of all indices are 100 except JSE Gold—255.7, JSE Industrial—264.3, and Australia, All Ordinary and Metals—500. NYSE All Common—50: Standard and Poors—10, and Toronto Composite and Metals—1,000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ 400 Industrials plus 40 Utilities, 40 Financials and 20 Transports. c Closed. u Unavailable.

NOTES—Prices on this page are as quoted on the individual exchanges and are last traded prices. § Dealings suspended. xd Ex dividend. xc Ex scrip issue. xr Ex rights. xa Ex all.

CURRENCIES and MONEY

FOREIGN EXCHANGES

Dollar continues to fall

The dollar lost ground yesterday on fears that central banks were keen to see the dollar depreciate still further from its current level. Confidence was further eroded by suggestions that US interest rates would fall in the next month or so. Against this background and in the absence of any positive factors to underpin the US unit, the general trend was to push the dollar lower.

After a brief rise to DM 2.5890, the dollar finished at DM 2.5760, its lowest closing level since March 1984 and down from DM 2.5930 on Thursday. Against the yen it fell to its worst closing level since January 1981 at Y201.40 compared with Y202 previously. Elsewhere it slipped to SFr 2.1050 from SFr 2.1230 and FFr 7.8450 from FFr 7.9025. On Bank of England figures, the dollar's exchange rate index fell to 127.5 from 128.0.

Sterling benefited from the dollar's decline and was also helped by the relatively high level of UK interest rates, firmer oil prices and recent interest in the UK equity market. Its exchange rate index rose to 80.1 from 79.9, having opened at 80.1. Against the dollar it rose to $1.4535-1.4545, a rise of 1.2c and its best closing level since March 1984. Against the D-mark it improved to DM 3.7450 from DM 3.7400 and Y292.75 compared with Y291.25. Elsewhere it rose to FFr 11.4050 from FFr 11.3950 and was unchanged against the Swiss franc at SFr 3.06.

Gold rose $2¼ an ounce from Thursday's close in the London bullion market yesterday to finish at $328¼-328¾. The metal opened at $326¼-326¾ and traded between a high of $328¼-329 and a low of $325¼-325¾. Gold tended to follow platinum with renewed interest in the latter metal promoting short covering in gold ahead of the weekend.

£ IN NEW YORK

	Nov. 22	Prev. close
£ Spot	$1.4555-1.4565	$1.4460-1.4470
1 month	0.43-0.40pm	0.44-0.43pm
3 months	1.24-1.20pm	1.25-1.20pm
12 months	3.90-3.75pm	3.88-3.78pm

Forward premiums and discounts apply to the U.S. dollar.

STERLING INDEX

8.30 am	80.1	80.0
9.00 am	80.1	80.0
10.00 am	80.1	80.1
11.00 am	80.1	80.1
Noon	80.1	80.2
1.00 pm	80.0	80.0
2.00 pm	80.1	80.0
3.00 pm	80.0	80.0
4.00 pm	80.1	79.9

DOLLAR SPOT — FORWARD AGAINST DOLLAR

Nov 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	1.4420-1.4555	1.4535-1.4545	0.44-0.41c pm	3.51	1.23-1.19pm	3.33
Ireland†	1.1916-1.2015	1.2000-1.2015	0.25-0.15c pm	2.01	0.75-0.45pm	2.01
Canada	1.3747-1.3770	1.3760-1.3770	0.07-0.10c dis	−0.74	0.25-0.30dis	−0.80
Nethlnd.	2.8955-2.9194	2.8985-2.8995	0.58-0.55c pm	2.33	1.60-1.56pm	2.17
Belgium	52.05-52.32	52.05-52.15	1-2½c dis	−0.40	4-6dis	−0.38
Denmark	9.30½-9.35	9.30¾-9.31¼	½-1ore dis	−0.96	2½-2¾dis	−0.95
W. Ger.	2.5700-2.5890	2.5755-2.5765	0.82-0.77pf pm	5.69	2.22-2.17pm	3.40
Portugal	162¼-163¼	162½-163¼	200-400c dis	−22.15	650-1300dis	−24.00
Spain	158.35-159.22	158.35-158.90	100-140c dis	−8.05	290-360dis	−0.17
Italy	1.737-1.746½	1.740-1.741	11-12 lire dis	−7.91	27-28½dis	−8.38
Norway	7.72¾-7.77	7.73½-7.74	2½-3ore dis	−4.26	8-8½dis	−4.28
France	7.8425-7.8880	7.8445-7.8455	0.50-0.60c dis	−0.84	2.20-2.45dis	−1.10
Sweden	7.74½-7.79	7.74¾-7.75¼	3½-4ore dis	−5.79	9¾-10¼dis	−5.14
Japan	200.70-201.90	201.35-201.45	0.01y pm-0.02dis	−0.03	0.12-0.08pm	0.20
Austria	18.07-18.10	18.07-18.10	3½-3gro pm	2.23	10½-8pm	2.04
Switz.	2.1030-2.1190	2.1045-2.1055	0.92-0.87c pm	5.07	2.20-2.15pm	4.11

† UK and Ireland are quoted in US currency. Forward premiums and discounts apply to the US dollar and not to the individual currency. Belgian rate is for convertible francs. Financial franc 52.45-52.50.

CURRENCY RATES

Nov. 22	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	—	0.749018	0.591011
U.S.$	7½	1.08308	0.854602
Canadian $	8.88	*	1.17636
Austria Sch.	4	n/a	15.0261
Belgian Fr	8¾	56.6180	44.8746
Danish Kr	7	10.1187	7.98668
D mark	4	n/a	6.20915
Guilder	5	8.15285	8.48689
French Fr	8½	8.58438	6.73425
Lira	15½	N/A	0.714861
Yen	5	217.807	178.459
Norway Kr	8	8.39829	6.63616
Span'h Pta	—	179.656	135.957
Swedish Kr	10½	8.42474	6.64666
Swiss Fr	4	2.60234	1.80902
Greek Dr'ch	60½	164.969	130.122
Irish Punt	—	0.905807	0.714251

*C$/SDR rate for November 21: 1.49106.

POUND SPOT — FORWARD AGAINST POUND

Nov 22	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.4420-1.4555	1.4535-1.4545	0.44-0.41c pm	3.51	1.23-1.19pm	3.33
Canada	1.9876-2.0035	2.0005-2.0035	0.51-0.41c pm	2.76	1.34-1.20pm	2.54
Nethlnd.	4.19½-4.22	4.21-4.22	2½-2c pm	5.87	6-5½pm	5.63
Belgium	75.46-76.80	75.70-76.80	22-17c pm	3.09	60-51pm	2.93
Denmark	13.49-13.57	13.53-13.54	3½-2½ore pm	2.55	8½-7¼pm	2.27
Ireland	1.2086-1.2120	1.2080-1.2090	0.26-0.12p pm	1.89	0.58-0.23pm	1.34
W. Ger.	3.71½-3.75	3.74-3.75	2½-2¼pf pm	7.01	6½-6¼pm	6.66
Portugal	233-237½	234½-237½	145-440c dis	−14.87	580-1440dis	−17.20
Spain	229½-231	230½-231	65-110c dis	−4.55	210-325dis	−4.64
Italy	2,517-2,532½	2,530-2,531	7-12 lire dis	−4.51	16-23dis	−3.08
Norway	11.16½-11.27½	11.23-11.24	¼-1½ore dis	−0.73	2½-3½dis	−0.96
France	11.37½-11.42	11.40-11.41	2½-2¼c pm	2.76	6½-5½pm	2.17
Sweden	11.23-11.30¼	11.26¾-11.27¼	1½-2½ore dis	−2.28	4½-5½dis	−1.78
Japan	290½-293¼	292½-293½	0.88-0.78y pm	3.40	2.66-2.51pm	3.53
Austria	26.25-26.37	26.33-26.37	13½-11½gro pm	5.72	37½-33½pm	5.40
Switz.	3.04½-3.06½	3.05½-3.06½	2½-2¼c pm	8.58	5½-5½pm	7.35

Belgian rate is for convertible francs. Financial franc 76.25-76.35. Six-month forward dollar 2.24-2.19c pm, 12-month 3.85-3.70c pm.

CURRENCY MOVEMENTS

Nov. 22	Bank of England Index	Morgan Guaranty Change %
Sterling	80.1	−10.0
U.S. dollar	127.5	+15.1
Canadian dollar	82.8	−8.8
Austrian schilling	115.1	+6.0
Belgian franc	92.2	−8.5
Danish Kroner	82.8	−3.6
Deutsche mark	128.1	+9.9
Swiss franc	152.0	+13.5
Guilder	118.7	+6.8
French franc	68.9	−12.4
Lira	44.7	−19.8
Yen	170.8	+50.9

Morgan Guaranty changes: average 1980-1982=100. Bank of England Index (base average 1975=100).

EXCHANGE CROSS RATES

Nov. 22	£	$	DM	YEN	F Fr.	S Fr.	H Fl.	Lira	C $	B Fr.
£	1.	1.454	3.748	292.8	11.41	3.060	4.215	2531.	2.002	75.75
$	0.688	1.	2.576	201.4	7.845	2.105	2.896	1741.	1.377	52.10
DM	0.267	0.388	1.	78.17	3.045	0.817	1.125	675.7	0.535	20.63
YEN	3.416	4.967	12.79	1000.	38.96	10.45	14.40	8644.	6.839	258.8
F Fr.	0.877	1.275	3.284	256.7	10.	2.683	3.696	2219.	1.756	66.45
S Fr.	0.327	0.475	1.224	95.67	3.727	1.	1.377	827.0	0.654	24.75
H Fl.	0.237	0.345	0.888	69.45	2.706	0.726	1.	600.4	0.475	17.97
Lira	0.395	0.575	1.480	115.7	4.507	1.209	1.666	1000.	0.791	29.93
C $	0.500	0.726	1.871	146.2	5.697	1.528	2.105	1264.	1.	37.8
B Fr.	1.320	1.919	4.944	386.6	15.05	4.040	5.564	3341.	2.643	100.

Yen per 1,000; French Fr per 10; Lira per 1,000; Belg Fr per 100.

OTHER CURRENCIES

Nov. 22	£	$
Arg'tina	1.1876-1.1599	0.8000-0.8010
Aus'alia	2.1000-2.1040	1.4516-1.4530
Brazil	13.095-13.169	9.050-9.095
Finland	8.0336-8.0465	5.5525-5.5548
Greece	217.95-222.66	150.65-153.88
H'kong	11.3140-11.3240	7.8065-7.8075
Iran	128.0*	86.10*
Kuwait	0.4214-0.4218	0.29120-0.29150
Lux'burg	76.70-76.84	52.05-52.15
Malay'a	3.5155-3.5236	2.4240-2.4360
N'Z'land	2.5310-2.5310	1.7420-1.7495
Saudi Ar.	5.2815-5.2865	3.6505-3.6607
Sin'pore	3.0300-3.0400	2.0910-2.0930
S.Af.(Cm)	3.8426-3.8940	2.6456-2.6810
S.Af.(Fn)	4.5745-4.7835	3.1495-3.2520
U.A.E.	5.3140-5.3150	3.6735-3.6755

* Selling rate.

EURO-CURRENCY INTEREST RATES

Nov. 22	Short term	7 Days notice	1 Month	Three Months	Six Months	One Year
Sterling	11⅝-11⅞	11⅝-11⅞	11⅝-11⅝	11⅝-11⅝	11⅜-11½	11¼-11⅜
U.S. Dollar	7⅝-7⅞	7⅞-8⅛	8-8⅛	8-8⅛	8-8⅛	8⅛-8⅜
Can Dollar	8⅛-8⅛	8⅜-8⅞	8⅝-8⅞	8⅝-8⅞	8¾-8	8⅞-9⅛
D Guilder	5¾-5⅞	6¾-5⅞	5¾-5⅞	5⅞-5⅞	5⅞-6	5⅞-6⅛
Sw. Franc	5⅛-5⅞	7¾-8	2⅞-3⅛	3⅞-4	4-4⅛	4⅛-4⅛
Deutschmrk	4⅞-4½	4⅜-4½	4⅜-4⅝	4⅝-4¾	4⅝-4⅝	4⅞-5
Fr. Franc	8⅝-8⅞	8⅝-8¾	8¾-9⅛	8½-9¼	9⅞-10	10-10¼
Italian Lira	25-40	16-19	14¾-15¾	13⅞-14⅜	16¾-14¼	13¼-14¼
B.Fr.(Fin)	8⅛-9⅛	8½-8¾	8½-8¾	8½-8¾	8½-8¾	8½-8¾
Br.Fr.(Con)	8⅞-9⅛	8½-8¾	8½-8¾	8½-8¾	8½-8¾	8½-8¾
Yen	7⅛-7⅛	8⅛-8⅞	8⅛-8⅞	7⅞-8	7⅛-7⅝	7⅛-7⅞
D. Krone	8½-8	8½-9	8⅝-8⅞	8½-9	8½-9	8¾-9¼
Asian $ (Sng)	8-8⅛	8-8⅛	8-8⅛	8-8⅛	8-8⅛	8⅛-8⅛

Long-term Eurodollars: two years 8¾-9 per cent; three years 9¼-9½ per cent; four years 9½-9¾ per cent; five years 9⁹⁄₁₆-9¹³⁄₁₆ per cent nominal. Short-term rates are call for US dollars and Japanese yen; others two days' notice.

MONEY MARKETS

UK rates unchanged

Interest rates were mostly unchanged in London yesterday in very quiet trading. Attention focused on the very large shortage of day-to-day credit and, although the Bank of England gave more help than the published forecast, weekend money finished at 12 per cent after touching a low of 6 per cent. Rates had opened at 11¾-12 per cent. Three-month money was unchanged at 11½-11⅝ per cent. Three-month eligible bank bills were bid at 11⅛ per cent, also unchanged from Thursday.

The Bank of England forecast a shortage of around £1,300m, with factors affecting the market including maturing assistance and a take-up of Treasury bills together draining £813m and unwinding gilt repurchase agreements a further £820m. There was also a rise in the note circulation of £260m. These were partly offset by Exchequer transactions which added £820m and banks' balances brought forward £20m above target.

UK clearing banks base lending rate 11½ per cent since July 30

To help alleviate the shortage the Bank offered an early round of assistance totalling £886m and comprising outright purchases of £2m of eligible bank bills in band 2 at 11⅛ per cent and £8m in band 4 at 11⅛ per cent. It also arranged sale and repurchase agreements on £878m of bills at 11⅛-11½ per cent, unwinding in equal amounts on December 3 and 5. The forecast was revised to a shortage of £1,400m and the Bank gave additional help in the morning of £166m. This comprised purchases of £104m of eligible bank bills in band 2 at 11⅛ per cent, £30m in band 3 at 11½ per cent and £28m in band 4 at 11⅛ per cent.

In the afternoon the Bank gave assistance of £284m through purchases of £8m of local authority bills and £25m of eligible bank bills in band 1 at 11⅛ per cent and £76m eligible bank bills in band 2 at 11⅛ per cent. In band 3 it bought £46m of eligible bank bills at 11½ per cent and £129m in band 4 at 11⅛ per cent. Late assistance amounted to £85m, making a total of £1,421m.

FT LONDON INTERBANK FIXING

(11.00 a.m. Nov. 22) Three months U.S. dollars		Six months U.S. dollars	
bid 8	offer 8 1/8	bid 8	offer 8 1/8

The fixing rates are the arithmetic means, rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted by the market to five reference banks at 11 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque Nationale de Paris and Morgan Guaranty Trust.

MONEY RATES

Nov. 22	Ov'r-nig't	One Month	Two Months	Three Months	Six Months	Lombard In'v'ntion
Frankfurt	4.45-4.50	4.55-4.65	4.75-4.85	4.75-4.85	4.75-4.90	5.5
Paris	8⅝	8⅝-8⅞	8⅝-8⅞	8¾-8⅞	8⅞-8⅞	8¾
Zurich	7⅛-1⅛	2⅞-3⅛	—	3⅞-4⅛	—	—
Amsterdam	5¾-5⅞	5¾-5⅞	—	6⅛-5⅞	0⅛-5⅞	—
Tokyo	7.46875	8.09375	—	7.96875	—	—
Milan	14⅜-14¾	14⅛-14⅝	—	14¼-14⅝	—	—
Brussels	8.75	8½-8⅝	—	8½-8⅝	—	—
Dublin	—	9½-9¾	9¾-10	9⅞-10⅛	10⅜-10⅝	—

LONDON MONEY RATES

Nov. 22	Over night	7 days notice	Month	Three Months	Six Months	One Year
Interbank	6-12	11⅝-11⅞	11⅛-11⅛	11½-11⅝	11⅜-11½	11¼-11⅜
Sterling CDs	—	—	11⅛-11⅝	11⅛-11⅛	11⅛-11⅛	11⅛-11⅛
Local Authority Depos.	11⅝	11⅝-11½	11½	11½	11⅝	11⅛
Local Author'y Bonds	—	—	12	11⅞	11⅝	11¼
Discount Mkt Depos.	6-11⅛	11⅛-11⅛	11⅝	11¼	—	—
Company Depos.	10-12	11⅝-12	11¾	11¾	—	—
Finance Hse Depos.	—	—	11⅞	11⅞	11⅞	11⅛
Treasury Bills (Buy)	—	—	11⅛	11⅛	—	—
Bank Bills (Buy)	—	—	11⅛	11⅛	10⅞	—
Fine Trade Bills (Buy)	—	—	11⅛	11⅛	11⅛	—
Dollar CDs	—	—	7.9-8.0	7.9-8.0	7.9-8.0	8.05-8.15
SDR Linked Depos	—	—	7⅛-8	7⅛-8⅛	7⅛-8⅛	7⅞-8⅛
ECU Depos	—	—	8⅜-8½	8⅜-8½	8⅞-8⅞	8½-8⅝

Treasury Bills (sell): one-month 11⁵⁄₁₆ per cent; three-months 11⁵⁄₃₂ per cent; Bank Bills (sell): one-month 11⁵⁄₁₆ per cent; three-months 11⁵⁄₃₂ per cent. Treasury Bills: Average tender rate of discount 11.1177 per cent. ECGD fixed finance scheme IV reference rate October 2 to November 5 (inclusive): 11.608 per cent. Local authority and Finance Houses seven day's notice, others seven days' fixed. Finance Houses Base Rate 12 per cent from November 1 1985. Bank Deposit Rates for sums at seven days' notice 8.25-8.625 per cent (net). Certificates of Tax Deposits (Series 8): Deposits £100,000 and over held under one month 11½ per cent; one-three months 11½ per cent; three-six months 11½ per cent; six-nine months 11½ per cent; nine-12 months 11⅛ per cent. Under £100,000 10⅞ per cent from November 19. Deposits held under Series 5 11½ per cent. Deposits withdrawn for cash 7½ per cent.

COMMODITIES AND AGRICULTURE

REVIEW OF THE WEEK

Aluminium breaks tin crisis gloom

BY RICHARD MOONEY

TIN CRISIS "blues" remained much in evidence on the London Metal Exchange this week, but there were a couple of chinks in the clouds, the most notable being the aluminium market's break out of its recent narrow trading range.

A £10 rise yesterday took cash aluminium to £66.50 a tonne. This is still a few pounds below the price ruling when tin trading was suspended on October 24, but the strengthening of sterling in the intervening period means that in dollar terms the price is now some $8 above the pre-crisis level. And as aluminium is predominantly traded in the US currency on the world market it is the dollar price which is most closely watched by the trade.

There was no fresh fundamental news to account for yesterday's rise. In immediate terms the break was seen as "technical" in that it represented a response to more bullish chart patterns which released a wave of pent up speculative buying interest. But this interest was itself related to fundamental factors which had previously been prevented from exerting their full influence on prices, first by bearish charts and the cautious mood of the market, and more recently by the depressing effects of the tin crisis.

A wave of production cuts which began 18 months ago is at last having a sustained impact on production and stock levels. Several times during the past year hopeful aluminium bulls thought they saw the beginning of the expected stocks decline only to find that they had been deceived. So they wanted better evidence that the cuts were having the desired effect. This they now have. Aluminium stock figures for the non-Communist world, published by the International Primary Aluminium Institute have fallen in each of the last three reported months (July-September), the aggregate fall amounting to some 400,000 tonnes or about 9 per cent of the total.

The other bright spot on the LME was in zinc, with the cash position advancing £10 to £480 a tonne in a continuation of last week's rally. Zinc prices are now only a few pounds below the level ruling before the tin suspension and nearly £60 above the 38-month low reached in its immediate aftermath.

Elsewhere the gloom continued. Cash higher grade copper ended the week £25 lower at £944.50 a tonne and cash nickel lost £120 to £2,765 a tonne. The lead market moved in an extremely narrow range before ending slightly higher on the week.

In the coffee market attention continued to be focused on Brazil's 1986/87 crop prospects following the 4-month drought which broke three weeks ago. Latest local estimates put the crop at between 14m and 17m bags (60 kilos each) compared with 15-18m forecast last month and an estimated 30m bags for the 1985/86 crop. But futures market eased back somewhat and the January position finished the week £35 down at £1,863.50 a tonne. The International Coffee Organisation announced a 1m bags increase to 15.5m in global export quotas for the current quarter (October-December) after its 15-day average indicator price breached the 140 cents a lb trigger level on Tuesday. But the news had been generally anticipated and had no lasting impact on prices.

Concern about damage to Cuba's cane crop by Hurricane Kate, which swept across the island on Tuesday and Wednesday, boosted world sugar prices. Nearby futures were up about $11 at one stage but fell back a few dollars yesterday. The London daily raws price ended $4 up on the week at $141.50 a tonne.

WEEKLY PRICE CHANGES

	Latest prices per tonne unless stated	Ch'nge on week	Year ago	1985 High	1985 Low
METALS					
Aluminium					
Free Markets c.i.f.	$1020/1040	+30	$1570/1300	$1180/1210	$975/995
Antimony					
Free Market 99.6%	$2770/2830	—	$2600/2850	$3075/3150	$2550/2850
Copper Cash High Grade	£944.5	−25	£1075.25	£1559	£941.75
3 months Do. Do.	£960.75	+16.5	£1097.75	£1631.75	£961.75
Gold per oz.	$328.5	+6.75	$345.55	$338.75	$284.7
Lead Cash	£277.5	+1	£363.5	£301.5	£265.5
3 months	£275.75	−3.5	£354.75	£355.5	£271.5
Nickel market c.i.f. lb					
Free	184/204c	−1	216/235c	255/282c	175/195c
Palladium	$100.75	+0.5	$147.75	$129.55	$93.50
Platinum per oz	$339.50	+5.75	$331.75	$345.85	$244.25
Quicksilver (76 lbs)	$280/283	—	$300/310	$300/310	$225/276
Silver per oz	426.35p	−3.50	606.65p	576.90p	421.10p
3 months per oz	436.85p	−3.60	617.50p	594.00p	435.90p
Tin cash	†	—	£9669.5	£10,386	£8507.5
3 months	†	—	£9661	£10,252.5	£8428.5
Tungsten Ind.	$71.41	+1.13	$88.53	$83.85	$56.75
Wolfrm 22.04 lb	$60/65	—	$78/85	$75/78	$56/60
Zinc cash	£480	+10	£583	£567.5	£373.5
3 months	£431.75	+2.25	£637.75	£565	£388.5
Producers	$660/670	—	$900	$960	$660/670
GRAINS					
Barley Futures	£113.55	+0.55	£109.40	£117.40	£90.00
Maize French	£140y	—	£145.00	£152.20	£129.50
WHEAT Futures	£112.10	+1.30	£110.00	£124.95	£96.80
SPICES					
Cloves	$4,800	+700	$4,100	$4,800	$5,200
Pepper white	$5,050	−150	$5,475	$5,200	$5,300
black	$4,100	−100	$3,275	$4,650	$2,200
OILS					
Coconut (Philippines)	$390u	—	$960	$850	$390
Palm Malayan	$375w	—	$630	$700	$340
SEEDS					
Copra (Philippines)	†	—	$580	$675	$250
Soyabeans (U.S.)	†	—	$258.25	$265.4	$207.5
OTHER COMMODITIES					
Cocoa Futures Mar.	£1706	+18.5	£1,042	£2,266.5	£1,657
Coffee Futures Jan	£1835.5	−33	£2,370.5	£2,457	£1487.5
Cotton Index	47.85c	−0.55		71.85c	43.00c
Des. Coconut	£635	—	£1300	£1,230	£635
Gas Oil Fut. Jan.	$275.75	+11.5	$235.5	$273.75	$208.75
Jute UA BWC grade	$310	−3	$370	$343	$310
Rubber kilo	65p	—	63p	70p	55p
Sisal No. 3L	$530	—	$572	$570	$515
Sugar (Raw)	$141.5u	+4	$117.5	$147.5	$88
Tea (quality) kilo	180p	+5	563p	345p	160p
(low med) kilo	103p	—	249p	235p	108p
Wooltops 64s Super	583p kilo	−3	473p kilo	585p kilo	383p kilo

† Unquoted. (o) Madagascar. (u) November-December. (y) December. (v) December-January. (w) January.

INDICES

FINANCIAL TIMES

Nov. 22	Nov. 21	M'th ago	Year ago
—	—	—	203.20

(Base: July 1 1952 = 100)

REUTERS

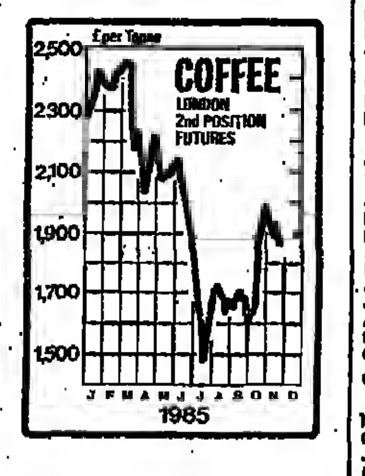
Nov. 22	Nov. 21	M'th ago	Year ago
1783.3	1728.2	1701.7	1852.1

(Base: September 18 1931 = 100)

DOW JONES

Dow Jones	Nov. 21	Nov. 20	Month ago	Year ago
Spot	180.34	180.43	[illegible]	[illegible]
Futr.	181.05	180.94	[illegible]	[illegible]

(Base: December 31 1974 = 100)



ALUMINIUM

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	676-7	+10	680/680
3 months	699-700	+0.75	714/698

Official closing (am): Cash 680.1 (680-.5), three months 702-.5 (683-.4), settlement 681 (680.0). Final Kerb close: 701-2. Turnover: 26,675 tonnes.

ZINC

High grade	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	429-31	.....	—
3 months	431.5-8	−1.5	434.5/431

Official closing (am): Cash 432-3 (425-7), three months 432.5-3 (428-30), settlement 433 (427). Final Kerb close: 431.0-32. Turnover: 11,950 tonnes. US Prime Western: 33-35.75 cents per pound.

COPPER

Higher grade	Unofficial close	+ or −	High/low
Cash	944-5	+6.75	948/948
3 months	962.5-3	+1	966/960

Official closing (am): Cash 947.5-8 (941-.0), three months 965-.6 (961-.0), settlement 948 (941.5). Final Kerb close: 963-63.5.

Cathodes			
Cash	924-5	+2.5	926/924
3 months	943-5	−1	948/948

Official closing (am): Cash 925-6 (921-2), three months 947-8 (943.5-4.5), settlement 926 (922). Turnover: 22,800 tonnes. US producer prices: 64/68 cents per pound.

SILVER

Silver was fixed 2.1p an ounce lower for spot delivery in the London bullion market yesterday at 425.35p. US cent equivalents of the fixing levels were: spot 610.25c, down 1.75c; three-month 626.9c, down 1.8c; six-month 638.35c, down 1.75c; and 12-month 663.85c, down 1.85c. The metal opened at 426-428p (617-619c) and closed at 427-430p (621-624c).

SILVER per troy oz	Bullion Fixing Price	+ or −	L.M.E. p.m. Unofficial	+ or −
Spot	425.35p	−2.10	425.5p	+0.2
3 months	436.85p	−2.20	437.75p	−0.25
6 months	448.10p	−2.20	—	—
12 months	471.30p	−2.45	—	—

LME—Turnover: 14 (36) lots of 10,000 oz.

Cash high/low 424.5p; three months high/low 437p; final kerb 438-40p.

LEAD

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	276.5-8.5	+5.75	284.5/284.5
3 months	275.5-6	−1.75	277/279

Official closing (am): Cash 283.5-.4 (269-70), three months 272-.6 (275.5-6.5), settlement 284 (270). Final Kerb close: 275.5-76. Turnover: 14,500 tonnes. US Spot: 18.75-20 cents per pound.

NICKEL

	Unofficial close (p.m.) £ per tonne	+ or −	High/low
Cash	2760-70	−10	2805/2760
3 months	2775-85	−35	2815/2775

Official closing (am): Cash 2,800-5 (2,780-5), three months 2,800-10 (2,830-40), settlement 2,805 (2,785). Final Kerb close: 2,770-80. Turnover: 1,722 tonnes.

RUBBER

PHYSICALS — The London market opened unchanged and was very idle throughout the day, reports Lewis and Peat. Closing prices (buyers): spot 56.00p (same). Dec 54.00p (54.25p). Jan 54.50p (54.75p). The Kuala Lumpur fob price (Malaysia/Singapore cents) per kg RSS No 1 was 177.0 (177.5) and for SMR 20 169.5 (same).

GOLD

GOLD BULLION (fine ounces) Nov. 22

Close	$328¼-328¾	(£225¼-226¼)
Opening	$326¼-326¾	(£226¼-226¾)
M'n'g fix	$326.00	(£225.418)
Aft'n'n fix	$325.50	(£225.717)

GOLD AND PLATINUM COINS

Kr'g'r'nd	$327¾-328¼	(£225½-226¼)
½ Krug.	$172¼-175	(£118¼-119)
¼ Krug.	$87½-88	(£60¼-60½)
1/10 Krug.	$35½-36	(£24¼-24¾)
Mapleleaf	$336-336½	(£231¼-231½)
Angel	$337-339	(£231¼-232¼)
1/10 Angel	$38-43	(£26¼-29½)
New Sov.	$79-79½	(£54¼-54¾)
½ New Sov.	$46¾-47¼	(£32¼-32½)
Old Sov.	$80½-82	(£55¼-56½)
$20 Eagle	$460-500	(£316¼-344)
Noble Plat	$334¾-351½	(£239-242)

COCOA

Opening £10 steadier, futures attracted trade buying before profit-taking near the close eroded the gains. Producers and consumers were again absent but some limited second-hand interest was noted, reports Gill and Duffus.

COCOA	Yesterday's Close £ per tonne	+ or −	Business Done
Dec.	1658-1660	+0.5	1680-1657
March	1705-1707	+1.5	1732-1705
May	1727-1730	+2.0	1748-1726
July	1746-1749	+3.0	1761-1746
Sept.	1765-1770	+2.5	1780-1768
Dec.	1763-1765	+6.0	1728-1765
March	1768-1780	+4.0	—

Sales: 3,227 (3,928) lots of 10 tonnes.

ICCO indicator prices (US cents per pound). Daily price for November 21: 106.54 (104.54); five-day average for November 22: 104.91 (103.78).

COFFEE

During a quiet morning prices remained steady in light volume, reports Drexel Burnham Lambert. Activity increased in the afternoon as commission house selling and steadier sterling triggered a gradual decline.

COFFEE	Yesterday's Close	+ or −	Business Done
Nov.	1855-1835	−34.5	1875-1830
Jan.	1863-1865	−38.0	1915-1861
March	1898-1900	−32.5	1940-1895
May	1838-1840	−31.0	1970-1850
July	1960-1965	−20.5	1994-1955
Sept.	1885-1890	−14.0	2015-1985
Nov.	2020-2025	−0.5	2030

Sales: 4,332 (4,830) lots of 5 tonnes.

ICO indicator prices (US cents per pound) for November 21: Comp. daily 1979 141.50 (142.00); 15-day average 140.52 (140.50).

GRAINS

Mnth	WHEAT Yesterd'ys close	+ or −	BARLEY Yesterdys close	+ or −
Jan.	113.60	−0.55	110.50	−0.45
Mar.	116.20	−0.50	113.25	−0.25
May	118.90	−0.55	115.55	−0.45
July	121.00	−0.40	—	—
Sept.	99.00	—	98.00	—

Business done—Wheat: Jan 114.10-3.45, Mar 116.70-6.20, May 118.25-8.85, July untraded. Sept 99.00-8.90. Sales: 306 lots of 100 tonnes. Barley: Jan 111.00-10.50, Mar 113.50-3.10, May 115.70-5.55, Sept 99.00. Sales: 86 lots of 100 tonnes.

LONDON GRAINS—Wheat: US dark northern spring no 1 15 per cent Nov 132.50, Dec 133.50, Jan 136, Feb 138.50 transhipment east coast—US no 2 soft red winter Dec 119.25, Jan 120.25, Feb 120.50 sellers. EC French Nov 131 quoted. English feed fob Nov 113.50, Dec 115.75 sellers, Jan 116.50-17.00, Jan/Mar 117.50-18.00, April/June 121.50-122.00 buyer/sellers. Maize: US no 3 yellow/French transhipment east coast Dec 140. Barley: English feed fob Nov 111.50 buyer, Dec 113.50, Jan/Mar 116.50, April/June 120 sellers. Rest unquoted.

HGCA—Locational ex-farm spot prices. Feed barley: N. East 108.40, Scotland 105.20. The UK monetary co-efficient for the week beginning Monday December 2 (based on HGCA calculations using three days' exchange rates) is expected to remain unchanged.

MEAT

Prices closed little changed in active trade with hedge selling and fresh speculative buying featuring on the close, reports CST Commodities.

Month	Yesterday's close	Previous close	Business done
	p. per kilo (deadweight)		
Feb.	101.90	101.80	102.00
April	103.10	102.60	103.1-102.5
June	100.30	100.50	100.5-100.0
Aug.	99.00	99.30	99.00
Oct.	104.40	104.10	—
Nov.	105.10	104.90	104.80

Sales: 111 (6) lots of 50 carcases, 3,250 kg.

MEAT COMMISSION—Average fatstock prices at representative markets. GB—Cattle 94.11p per kg lw (+0.30). GB—Sheep 148.31p per kg est dcw (+0.34). GB—Pigs 83.12p per kg lw (−0.98).

US MARKETS

PRECIOUS Metals firmed, reflecting strength to platinum along with continued speculation of a US discount rate cut, reports Heinol Commodities. Platinum's strength was derived on reports of good trade purchases. Copper and aluminium attracted good short-covering as sterling strength encouraged good arbitrage buying. Sugar came under pressure on long liquidation encouraged by overhead producer selling. Cocoa remained firm on reports of low Bahia arrivals along with continued delays to African shipments. Coffee weakened on profit-taking linked to good nearby availability. Cotton gained ground on tightness in spot supplies and low certified stocks. The energy complex was steady to firm with distillates showing the best gains on expectations of low US imports from Europe. The grain complex was under pressure with maize on recent loan redemptions.

NEW YORK

ALUMINIUM 40,000 lb, cents/lb

	Close	High	Low	Prev
Nov	44.85	—	—	44.75
Dec	44.95	45.25	44.65	44.30
Jan	45.35	—	—	44.70
March	46.15	46.40	45.95	45.45
May	46.90	47.10	47.10	46.20
July	47.65	47.95	47.85	46.95
Sept	48.40	—	—	47.70
Dec	49.50	—	—	48.80
Jan	49.05	—	—	49.15
March	50.80	—	—	49.90

COCOA 10 tonnes, $/tonnes

	Latest	High	Low	Prev
Dec	2149	2150	2125	2124
March	2225	2225	2212	2208
May	2280	2280	2265	2259
July	2305	2307	2297	2288
Sept	2329	2325	2323	2317
Dec	2337	2330	2330	2324
March	2347	—	—	2328

COFFEE "C" 37,500 lb, cents/lb

	Close	High	Low	Prev
Dec	159.48	159.50	157.80	159.67
March	164.10	164.25	162.50	164.18
May	166.95	167.00	165.25	167.04
July	169.24	169.60	168.00	169.25
Sept	171.25	171.25	170.25	171.00
Dec	171.00	172.50	171.00	171.50
March	171.50	172.00	170.25	171.38

COPPER 25,000 lb, cents/lb

	Close	High	Low	Prev
Nov	61.10	60.70	60.70	59.70
Dec	61.20	61.25	60.00	59.85
Jan	61.50	—	—	60.15
March	62.10	62.16	60.90	60.80
May	62.35	62.40	61.30	61.10
July	62.60	62.50	61.55	61.35
Sept	62.30	62.60	61.80	61.60
Dec	63.35	63.40	62.30	62.05
Jan	63.55	—	—	62.20
March	63.85	63.70	63.70	62.50

COTTON 50,000 lb, cents/lb

	Close	High	Low	Prev
Dec	61.58	62.00	61.50	61.55
March	62.36	62.45	62.00	61.98
May	62.65	62.70	62.40	62.40
July	61.12	61.31	61.05	61.05
Oct	54.45	54.50	54.25	54.60
Dec	52.00	52.10	51.86	51.85
March	52.52	—	—	52.62
May	52.90	—	—	52.80

CRUDE OIL (LIGHT) 42,000 US gallons, $/barrels

	Latest	High	Low	Prev
Jan	30.92	30.93	30.68	30.82
Feb	30.11	30.13	29.86	29.99
March	29.39	29.40	29.10	29.19
April	28.66	28.88	28.49	29.54
May	28.10	28.11	27.92	28.03
June	27.63	27.63	27.40	27.55
July	27.26	27.32	27.10	27.20
August	26.90	26.83	26.83	26.87
Sept	26.75	26.75	26.65	26.61
Oct	26.42	26.53	26.40	26.41

GOLD 100 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	326.0	327.0	326.7	326.9
Dec	327.4	329.5	326.1	327.4
Jan	329.4	—	—	328.4
Feb	331.5	333.8	330.4	331.5
April	335.2	337.4	334.4	335.2
June	339.3	341.0	338.0	339.2
August	343.4	345.0	342.8	343.3
Oct	352.2	354.5	351.0	352.1
Feb	356.8	357.8	357.8	356.7
April	361.8	—	—	361.5
June	366.7	—	—	366.6
August	372.2	372.5	372.6	372.1

HEATING OIL 42,000 US gallons, cents/US gallons

	Latest	High	Low	Prev
Dec	89.30	89.30	88.25	88.64
Jan	89.30	89.30	88.25	88.64
Jan	89.80	89.60	88.65	89.01
Feb	89.25	89.25	88.25	88.55
March	84.45	84.50	83.75	84.03
April	79.65	80.30	79.10	79.73
May	76.35	76.60	75.80	70.60
June	75.30	74.40	74.40	75.23
July	74.80	—	—	74.65
August	74.00	73.80	73.60	74.15

ORANGE JUICE 15,000 lb, cents/lb

	Close	High	Low	Prev
Jan	113.35	113.35	112.60	113.60
March	113.90	114.00	113.50	114.35
May	114.45	114.25	113.60	114.75
July	114.80	114.50	114.50	114.95
Sept	111.80	111.90	111.90	112.15
Jan	112.10	—	—	112.35
March	112.20	—	—	112.35
May	112.60	—	—	112.80

PLATINUM 50 troy oz, $/troy oz

	Close	High	Low	Prev
Nov	347.7	—	—	335.3
Dec	351.2	—	—	332.8
Jan	351.2	352.5	335.0	335.3
April	355.1	357.0	342.5	341.3
July	358.8	355.5	346.5	345.0
Oct	362.1	360.0	348.5	349.5
Jan	367.1	365.0	365.0	353.5

SILVER 5,000 troy oz, cents/troy oz

	Close	High	Low	Prev
Nov	621.8	622.0	622.0	617.5
Dec	622.5	623.0	610.5	613.3
Jan	627.0	627.0	622.0	623.3
March	635.6	639.0	630.0	631.8
May	643.5	647.5	638.5	639.5
July	652.1	655.5	645.5	643.5
Sept	661.1	666.0	658.0	657.6
Dec	674.8	680.0	671.0	671.5
Jan	679.6	—	—	675.3
March	689.0	—	—	685.7

SUGAR WORLD "11" 112,000 lb, cents/lb

	Close	High	Low	Prev
Jan	5.47	6.52	5.52	5.57
March	6.18	6.34	6.12	6.32
May	6.37	6.55	6.32	6.53
July	6.61	6.70	6.47	6.65
Sept	6.67	6.76	6.70	6.85
Oct	6.74	6.94	6.73	6.84
Jan	6.87	—	—	7.07
March	7.36	7.48	7.36	7.52

CHICAGO

LIVE CATTLE 40,000 lb, cents/lb

	Close	High	Low	Prev
Dec	66.90	67.25	66.82	67.15
Feb	62.52	62.90	62.50	62.82
April	60.37	61.00	60.25	60.82
June	60.75	61.20	60.70	60.97
August	59.07	59.60	59.05	59.27
Oct	57.70	58.45	57.70	58.15
Dec	59.37	59.80	59.25	59.50

LIVE HOGS 30,000 lb, cents/lb

	Close	High	Low	Prev
Dec	47.47	47.87	47.27	47.92
Feb	46.20	46.42	45.90	46.30
April	41.10	41.35	40.95	41.12
June	43.30	43.40	43.02	43.75
July	43.45	43.50	43.30	43.32
August	42.35	42.72	42.20	42.77
Oct	39.70	39.60	39.60	39.50
Dec	40.75	40.75	40.75	40.45
Feb	40.60	40.60	—	40.47

MAIZE 5,000 bu min, cents/56-lb bushel

	Close	High	Low	Prev
Dec	237.0	230.0	237.0	239.4
March	240.2	241.0	240.0	241.6
May	243.0	243.2	241.6	243.4
July	243.0	243.0	241.4	243.0
Sept	232.4	232.4	230.4	231.2
Dec	226.4	227.0	224.4	221.6
March	234.4	234.4	234.4	232.0

PORK BELLIES 38,000 lb, cents/lb

	Close	High	Low	Prev
Feb	62.30	62.90	62.10	62.65
March	62.45	62.95	62.15	62.77
May	63.40	64.00	63.35	63.85
July	63.45	64.00	63.20	63.77
August	60.85	61.12	60.75	61.10

SOYABEANS 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Jan	488.6	491.4	485.4	485.2
March	497.4	500.0	493.4	492.0
May	506.2	507.0	501.4	499.4
July	512.8	513.4	508.0	506.4
August	512.4	512.4	509.0	506.0
Sept	507.0	508.4	504.0	503.0
Nov	509.2	510.0	506.3	505.0
Jan	520.4	520.4	518.4	516.0
March	531.4	531.4	528.4	527.0

SOYABEAN MEAL 100 tons, $/ton

	Close	High	Low	Prev
Dec	139.9	140.0	138.7	138.2
Jan	139.9	140.0	138.6	138.1
March	140.1	140.2	139.0	138.5
May	141.1	141.2	139.8	139.2
July	141.8	141.5	140.0	139.5
August	141.0	141.0	140.8	139.5
Sept	141.0	141.0	141.8	129.0
Oct	140.0	141.0	139.0	137.0
Dec	143.0	143.0	142.0	140.0
Jan	142.5	—	—	139.6

SOYABEAN OIL 60,000 lb, cents/lb

	Close	High	Low	Prev
Dec	19.32	19.40	18.98	18.91
Jan	19.31	19.35	19.01	18.95
March	19.48	19.50	19.21	19.11
May	19.70	19.73	19.50	19.35
July	20.00	20.00	19.70	19.63
August	19.95	20.00	19.75	19.50
Sept	19.98	20.05	19.75	19.65
Oct	19.98	20.05	19.85	19.70
Dec	20.00	20.05	19.80	19.65
Jan	20.00	20.10	20.00	19.65

WHEAT 5,000 bu min, cents/60-lb bushel

	Close	High	Low	Prev
Dec	334.8	338.0	333.4	337.4
March	331.8	336.2	330.4	336.2
May	311.4	314.2	310.2	314.4
July	284.2	286.0	283.4	285.2
Sept	284.2	286.4	284.2	285.0
Dec	296.2	297.0	296.0	297.0

SPOT PRICES—Chicago loose lard 10.00 (20.00) cents per pound. Handy and Harman silver bullion 622.5 (616.5) cents per troy ounce.

OIL

Crude prices changed little in very thin trade. Nymex opened 11c down for January but had recovered 6c by 1 pm EST. The petroleum products market was dominated by speculative trader demand rather than interest from utilities. Naphtha and gas oil prices firmed in response to higher shipping freight rates — Petroleum Argus, London.

SPOT PRICES

	Latest	Change + or −
CRUDE OIL—FOB ($ per barrel)—Dec.		
Arab Light	21.90-28.00	+0.025
Arab Heavy	25.20-25.86	—
Dubai	21.20-21.30	+0.05
Brent Blend	30.60-30.70	−0.025
W.T.I. (1pm est)	31.60-31.10	+0.175
Forcados (Nigeria)	38.30-30.50	−0.05
Urals (cif NWE)	28.20-28.30	+0.05
PRODUCTS—North West Europe Prompt delivery cif ($ per tonne)		
Premium gasoline	875-280	—
Gas Oil	885-281	+0.5
Heavy fuel oil	147-148	—
Naphtha	253-255	+3.5

Petroleum Argus estimates

GAS OIL FUTURES

Month	Yest'day's Close $ U.S. per tonne	+ or −	Business Done
Dec	280.75	+1.15	281.50-77.75
Jan	276.75	+1.50	278.75-72.50
Feb	268.75	+1.60	270.00-26.00
Mar	257.75	+1.50	259.00-56.00
Apr	247.25	−0.75	248.75-47.25
May	238.50	−0.25	240.00-38.25
June	233.00	−0.75	234.25-33.00
July	238.00	−1.50	234.50-32.00

Turnover: 3,017 (3,066) lots of 100 tonnes.

CRUDE OIL FUTURES—Brent Blend Index $ a barrel. (Close, change, business done): Index 30.64, +0.34; Jan 29.90-29.95, +0.03, 30.00; Feb 29.05-29.20, +0.15, 29.05; Mar 28.25-28.40, +0.22, untraded; April 27.60-28.00, +0.22, untraded; May 27.70-28.28, +0.785, untraded. Turnover: 2 (73) lots of 1,000 barrels.

SOYABEAN MEAL

	Yesterday close £ per tonne	+ or −	Business Done
Dec.	122.7-125.4	+1.30	125.0
Feb.	125.5-125.5	+0.60	126.5-125.2
Apr.	125.8-120.8	+0.85	126.5-125.9
June	121.8-122.8	+0.60	128.5
August	122.0-122.5	+0.85	123.5
October	122.5-124.8	+0.55	—
Dec.	124.0-126.8	−0.50	—

Sales: 287 (194) lots of 20 tonnes.

SUGAR

LONDON DAILY PRICE—Raw sugar $141.50 (138.0), up $3.50 (up £4.50) a tonne for November-December delivery. White sugar $180.50, up $3.50.

Sales: 2,800 (4,431) lots of 50 tonnes.

Tate and Lyle delivery price for granulated basis sugar was £202.50 (£197.50) a tonne for export.

No. 6 Con-tract	Yest'day's close	Previous close	Business done
	$ per tonne		
Dec.	145.8-152.0	147.4	150.0-146.8
Mar.	160.8-168.2	165.2-165.4	165.8-159.9
May	164.8-164.2	167.2-127.0	167.8-164.8
Aug.	169.4-170.8	172.6-173.8	174.0-172.2
Oct.	175.6-174.8	177.4-177.8	171.0-176.8

International Sugar Agreement—(US cents per pound fob and stowed Caribbean ports.) Prices for November 21: Daily price 5.31 (5.18); 15-day average 5.48 (same).

PARIS—(FFr per tonne): Mar 1429/1432, May 1447/1451, Aug 1480/1487, Oct 1510/1520, Dec 1525/1550, Mar 1581/1600.

FREIGHT FUTURES

The market showed signs of a turnaround during the morning as levels rose in thin conditions. The afternoon saw a complete reversal of this trend as values were traded due to the thinness of the market and end of week book-squaring, reports Clarkson Wolff. The Baltic Freight Index was 902.5, down 0.5.

	Close	High/Low	Prev.
Jan.	892/894	900.5/883	893/894
April	947/950	955/944	948/950
July	830/840	—	856/867
Oct.	920/922	920	915/930
Jan.	935/950	—	940/955
April	990/1000	—	990/1000
July	840/875	—	830/810
Oct.	950/1000	—	950/1000

Turnover: 36 (85).

POTATOES

The market opened firm continuing its reaction to the PMB end of October stock figures, and also in response to revised Dutch crop estimates which lowered the previous figure by approximately 200,000 tonnes. Gains of almost £3.00 were registered on April before profit-taking trimmed values back to unchanged by the close, reports Coley and Harper.

Month	Yesterday's close	Previous close	Business done
	£ per tonne		
Feb	82.00	80.90	82.00-80.50
Apr	90.50	90.20	93.00-89.00
May	96.30	98.40	98.00-95.40
Nov	73.80	74.00	—

Sales: 1,498 (1,208) lots of 40 tonnes.

Strong equity run continues and FT index extends rise to over 52 points since Monday

Account Dealing Dates

*First Dealings	Option Declarations	Last Dealings	Account Day
Nov 11	Nov 21	Nov 22	Dec 2
Nov 25	Dec 5	Dec 6	Dec 16
Dec 9	Dec 19	Dec 20	Jan 6

* "New-time" dealings may take place from 9.30 am two business days earlier.

The scene was euphoric again yesterday and blue chip issues continued this week's run to record levels for the fourth day in a row. All market indices achieved further good gains with the FT Ordinary share index [illegible] 13.8 more to 1135.4; the [illegible] close of business on [illegible] 52.2 points matches [illegible] four-day gain. [illegible] index rose [illegible] to an all-time [illegible] of 1451.0.

Confidence was inflated at the outset by Wall Street's gain overnight of some 23 points. This fuelled new investment in a market stimulated fundamentally by the recent rash of favourable trading statements. Many leaders of British industry have this week announced excellent interim or full-year profits including British Petroleum, Boots, Burton and Distillers.

Leading shares soon turned back from the highest levels as dealers encountered end-Account profit-taking, but the sales made little impression on selected stocks. International issues improved on US demand which took in ICI and BOC: the latter is scheduled to report its preliminary results on December 4. Sterling's resumed strength against the dollar failed to dampen UK investment enthusiasm.

Takeover activity was prominent in many market areas with United Biscuits rising strongly on speculation of a possible bid from Imperial group. News that Bairstow Eves had received an approach generated considerable excitement not only in the shares but also in any other Estate Agent. So-called situation issues also attracted renewed attention despite prevailing end-Account influences.

Expectations of new funding restrained Gilt-edged stocks throughout official trading. Shortly after the 3.30 close, the issue of £1bn of Exchequer 10½ per cent 1989 at a minimum tender price of £98.50 was announced. When dealings resumed 30 minutes later, longer-dated Gilts moved higher in a market expressing relief that it had been left untapped. Selected longs later improved further to close around ½ or so up on balance, but the shorts generally registered minor falls on the day.

Hire Purchases firm

Takeover favourites among Hire Purchase issues showed up well in an otherwise subdued banking sector. Wagon Finance gained 9 to 117p and Provident Financial put on 5 to 308p, while First National Finance Corporation edged forward a few pence to 162p. Elsewhere, quietly firm clearers had Barclays 4 up at a 1985 peak of 462p and NatWest 6 to the good at 718p. Among merchant banks, Kleinwort Benson added 5 at 575p, but Hambros slipped a couple of pence to 185; the latter's interim statement is scheduled for Tuesday.

End-Account profit-taking took its toll on Composites Insurances. General Accident lost 9 to 743p, GRE 7 at 755p, Sun Alliance 4 at 558p. Commercial Union receded a few pence to 238p.

Breweries featured Scottish & Newcastle which attracted steady support and advanced 12 for a gain on the week of 17 at 192p; Blackburn-based Matthew Brown, currently in receipt of an unwelcome offer from S & N, advanced 23 to 565p in sympathy. Allied-Lyons, 292p, recovered Thursday's decline of 5, while Bass, annual results due December 5, hardened a couple of pence to 687p.

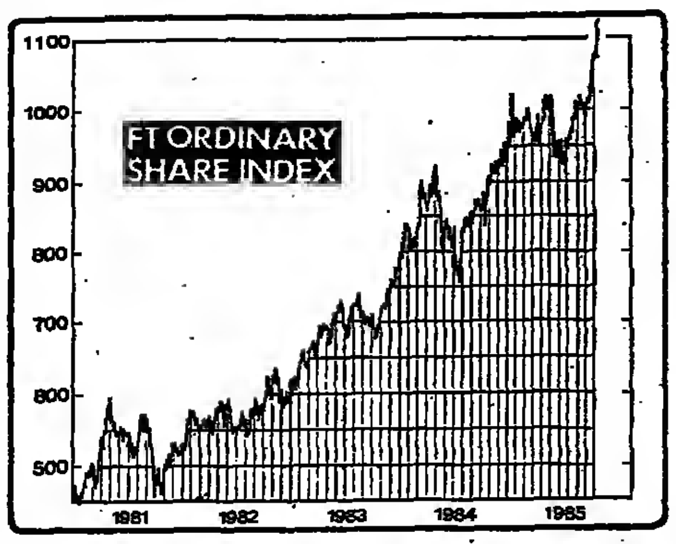
An early burst of buying interest in the Building sector soon petered out and leading quotations settled well below the best. Blue Circle touched 598p initially before drifting back to close only a penny dearer on balance at 593p. Tarmac managed a rise of 4 at 406p, but profit-taking clipped that much from recently firm RMC at 504p. Rugby Portland Cement gained the turn at 141p, while Redland improved 2 to 342p on buying ahead of the interim results due next Thursday. AMEC remained on offer and shed 5 more to 252p, but John Laing found support at 332p, up 3. Secondary issues were featured by H. J. Baldwin which jumped to 71p prior to closing a net 13 higher at 65p following the annual results and option agreement with Mr S. A. Kaye which gave rise to asset injection hopes. Meyer International continued firmly in the Timber sector and closed 3 higher at 175p, but profit-taking left Magnet & Southerns 4 off at 150p.

Wall Street influences helped ICI to a fresh rise of 14 at 734p. Among other Chemicals, recently-overlooked Laporte revived strongly and gained 13 to 385p, while Croda International firmed 4 to 132p on news that the company had entered negotiations with Cargill UK which may lead to the disposal of the former's seedcrushing oil refining operations. Morceau, annual results due on December 10, rose 10 to 315p.

Empire buoyant

Mail order house Empire featured after-hours trading in Stores, rising 12 to 162p as minority shareholders Gecos and Vendex International increased their holdings in the company to 19.7 and 20 per cent respectively.

Leading Retailers finished the Account in excellent form as investors continued to direct funds to the sector amid indications of a bumper Christmas. British Home Stores, firm throughout the week on takeover hopes, advanced 7 more to 373p, while Habitat Mothercare, interim results due early next month, attracted strong demand after-hours to close 16 higher at 548p. Burton, on the other hand, encountered profit-taking in the wake of the full-year figures and closed 20 cheaper at 603p. Secondary Stores were mixed. Sellers held sway in Goldsmiths, 10 lower at 166p, and in Peters, 6 off at 76p, while USM-quoted Blanchards gave up to 9 to 113p.



In contrast, buying for the new Account lifted Executex Clothes 4 to 42p and Martin Ford 3 to 65p. Ladies Pride also found favour with a gain of 4 to 29p, while Dunhill, first-half figures expected on Monday, hardened a few pence to 375p.

Neglected during the current equity market boom due to a catalogue of adverse news about pressures on company profits, leading Electricals at last began to show signs of life. Investors, taking the view that the sector was heavily oversold, chased Plessey and Racal up 8 and 6 respectively to the common level of 142p. GEC firmed 4 to 186p and BICC added 5 at 240p. Thorn EMI hardened 2 more to 419p on further consideration of reports that Robert Maxwell is prepared to pay £100m for Thorn EMI's Screen Entertainments division. Elsewhere, Ferranti firmed 6 to 128p following a broker's recommendation ahead of the interim figures scheduled for December 5. Alphameric gained 15 to 143p in anticipation of Tuesday's interim results, while speculative buying lifted CASE 15 to 120p and Applied Holographics 20 to 270p. Apricot Computers, on the other hand, eased 3 to 64p; the first-half results are due on Tuesday. Acorn Computer, meanwhile, came on offer at 53p, down 5.

Interest in the Engineering sector waned although Pegler-Hattersley continued to attract a good demand and closed 12 dearer at 318p. Concentric put on 4 at 78p and ML Holdings appreciated 5 at 328p. Among the narrowly mixed leaders, Hawker edged forward a couple of pence to 447p, but Vickers eased a few pence to 315p.

The Food sector displayed numerous bright features. United Biscuits again figured prominently on takeover speculation and rose to 240p for a gain on the week of 30. S. & W. Berisford, a dull market recently on commodity trading worries, revived strongly with a rise of 8 at 162p, while Ranks Hovis McDougall put on 6 to 175p in response to buying ahead of the annual results. Unigate, half-year figures expected next Wednesday, added 5 to 224p.

Retailers also gave a good performance. J. Sainsbury made fresh progress and closed 6 higher at 384p, while Dee Corporation firmed 4 to 265p. Kwik Save, marked down to 232p following the annual figures, picked up to close 4 higher on balance at 242p. Elsewhere, Somportex rose 8 to 168p and Hillsdown improved 3 to 188p. Dealings in confectioners Needlers were suspended at 150p at the company's request pending an announcement.

Grand Metropolitan touched 405p before settling 3 better at 396p following news that the group had agreed to sell Mecca Leisure and Warner Holidays to the existing management for £95m.

Boots jump

Double-figure gains were again commonplace among the miscellaneous industrial leaders. Boots jumped 18 more for a two-day rise of 33 to 255p following comment on the impressive interim figures and considerable traded option activity. BOC rose 12 to a 1985 peak of 324p in response to a combination of US and domestic buying ahead of the preliminary figures scheduled for December 4. Comment on the group's acquisition of Norcliff Thayer from Pantry Pride helped Beecham to rise 10 afresh to 313p, while Rank Organisation rose 16 to 473p on relief that it does not intend to buy Grand Metropolitan's leisure interests. Elsewhere, the sector's outstanding performer, Ashley Industrial Trust continued to make headway, rising a further 12 to exactly double on the week at 88p following persistent speculative buying on expansion hopes; Mr S. Rubins of Pentland Industries acquired a near-30 per cent stake in the company from AHI Holdings in August. Associated Heat Services gained 8 to 403p in reply to the interim results, while favourable comment lifted Blue Arrow 10 to 184p and Black Arrow 13 to 145p. Dalgety, depressed of late by events in the tin market, rallied 10 to 443p following the chairman's encouraging remarks at the annual meeting. Speculative buying on talk of an imminent bid left Bodycote 7 to the good at 177p, while demand of a similar nature also helped TSL Thermal jump 22 to 218p and Cannon Street Investments firm 8 to 103p. De La Rue rose 20 to 825p and Macarthys Pharmaceuticals gained 9 at 238p. Against the trend, Extel fell 12 to 323p after comment on the poor interim figures.

Sangers Photographic gained 25 for a two-day rise of 64p to 103p on asset injection hopes following the 40p per share offer from Mr J. R. Peace. Photax, which has a stake in Sangers, rose 10 to 48p, after 50p. Elsewhere in the Leisure sector, Radio City (Sound of Merseyside) put on 7 to 35p ahead of Monday's annual results, while First Leisure moved up 10 to 378p following Press comment.

Estate agents highlighted an otherwise lack-lustre Property sector following news of a bid approach to leading agency Bairstow Eves; the latter raced ahead on the announcement to close 28 higher on the day at 155p and other related issues also made strong progress. Mann and Co moved up 9 to 237p, Connells gained 10 to 167p, after 171p, and Hanover Investments put on 10 to 155p. Elsewhere, Stockley found support following comment in the Financial Times highlighting the development close to Heathrow Airport and firmed 4 to 74p. Southend Stadium attracted buyers on talk that major shareholders Yelverton had been approached for its stake and put on 4 to 84p. Recently-overlooked Wates City of London revived with a gain of 7 at 134p.

Relatively subdued Textiles showed Dawson International a further 6 higher at 206p ahead of the interim results expected next Thursday. Courtaulds hardened a shade to 183p—a week's rise of 16 in the wake of the excellent interim figures announced on Tuesday, while renewed speculative interest lifted British Mohair a further 4 to 135p. Readicut slipped 2 to 34½p ex-rights with the new shares finally 3p premium, after 4p premium.

Investment Trusts highlighted Asset Special Situation which spurted 15 to 71p following news that the company is currently conducting negotiations for the acquisition of fund managers Guildhall Investment. Financials were irregular. MAI advanced 20 to 385p after a broker's recommendation, but Exco International lacked support and closed 8 cheaper at 214p. Britannia Arrow improved 6 to 148p reflecting useful support for the new Account amid fresh hopes of a counter to the unwelcome offer from minority shareholders Guinness Peat.

Carless Capel

A generally bullish Press response for BP's excellent third-quarter results and reports that a number of brokers had revised upwards their full-year forecasts for the company gave an initial lift to BP shares which touched 610p before profit-taking left a close of 605p—unchanged on the day, but 35 up on the week.

Other leading oils were active, but price changes were confined to a few pence either way. Tricentrol performed well—despite the poor third-quarter figures announced on Thursday morning—and edged up 3 to 163p.

Second-line oils provided a handful of firm features, most notably Carless Capel which advanced 12 to 122p in front of Tuesday's interim report. Premier Consolidated, in which Carless Capel retains a 14.9 per cent stake and due to announce half-year results on Wednesday, touched 39p before settling 2 firmer at 38p. Recently firm New London Oil added a like amount at 60p.

Lonrho continued to dominate proceedings among Overseas Traders and touched a 1985 high of 193p before settling 10 to the good at 192p; the shares have risen 26 over the five-day period reflecting a broker's recommendation coupled with buoyant traded option activity. Elsewhere, occasional interest was also noted for Tozer Kemsley and Millbourn, 3 up at 65p, but Polly Peck, preliminary figures scheduled for December 2, dipped 5 to 173p.

Golds steady

South African mining markets ended a good week on a steady note. There was little sign of the recent strong Continental buying during a quiet morning session, but interest picked up during the afternoon when a bout of weakness in the dollar prompted a flurry in bullion. The latter subsequently improved to $329.25 prior to closing a net $2.5 firmer at $328.5 an ounce.

Gold shares were quick to respond and moved ahead across a broad front although gains in sterling terms were restrained by the latter's advance against the dollar. The best performers in the heavyweight Golds were Randfontein, £53¾, and Libanon, £19¾, both of which improved around ½ while the cheaper priced issues were highlighted by Elandsrand, a further 8 to the good at 380p. The Gold Mines Index added 0.9 to 294.5, thereby extending the gain on the week to one of 11.5.

of Anglo American Corporation's

Details of the proposed merger gold mines in the Orange Free State were announced during the morning and trading in the shares of the companies involved—Free State Geduld, President Brand, President Steyn, Welkom and Western Holdings—is expected to resume on Monday morning.

South African Financials ran out of steam after Thursday's De Beers-inspired advance. The latter slipped back 4 to 338p on modest profit-taking, while Anglo American Corporation lost 35 to 780p ahead of interim results expected on Friday. Press comment helped Minorco improve 10 more to 560p.

Consolidated Gold Fields were an active market in London Financials and dipped to 508p before picking up late in the day to close a few pence harder at 514p following revived talk of a consortium bid for the company. Rio Tinto-Zinc edged up 4 to 547p.

News that tin trading on the London Metal Exchange will remain suspended until December 6 unsettled tin shares. Geevor dipped 8 to a 1985 low of 76p.

FINANCIAL TIMES STOCK INDICES

	Nov. 22	Nov. 21	Nov. 20	Nov. 19	Nov. 18	Nov. 15	year ago
Government Secs	85.85	83.60	83.37	83.41	83.10	83.02	82.94
Fixed Interest	86.90	86.86	86.78	86.76	86.68	86.58	86.00
Ordinary ♥	1135.4	1121.6	1106.0	1095.5	1083.2	1086.1	910.5
Gold Mines	294.6	285.6	285.0	277.6	280.4	285.0	576.6
Ord Div. Yield	4.28	4.31	4.36	4.40	4.45	4.40	4.60
Earnings, Yld. % (full)	10.69	10.88	10.82	10.00	10.08	10.07	11.20
P/E Ratio (net) (*)	11.55	11.55	11.52	11.61	11.25	11.24	10.61
Total bargains (Est.)	52,860	28,754	64,436	25,180	63,166	64,645	21,860
Equity turnover £m	—	646.03	709.10	696.23	427.28	695.62	278.41
Equity bargains	—	31,610	28,587	24,147	86,674	21,817	18,378
Shares traded (ml)	—	613.4	340.8	878.3	216.0	342.2	182.4

♥ 10 am 1133.5. 11 am 1126.5. Noon 1128.8. 1 pm 1130.1. 2 pm 1129.7. 3 pm 1130.7. 4 pm 1131.9.

Day's High 1135.4. Day's Low 1125.6.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ordinary 1/7/35. Gold Mines 12/9/55. SE Activity 1974.

Latest Index 01-246 8026.

* Nil=11.13.

HIGHS AND LOWS

S.E. ACTIVITY INDICES

—	1985 High	1985 Low	Since Compilat'n High	Since Compilat'n Low		Nov. 21	Nov. 20
Govt. Secs.	84.57 (18/10)	78.02 (28/1)	107.4 (9/1/35)	40.18 (3/1/75)	Daily Gilt Edged Bargains	167.0	154.0
Fixed Int.	90.38 (25/10)	80.17 (23/1)	150.4 (28/11/47)	50.55 (3/1/75)	Equities Bargains	204.0	186.1
Ordinary	1136.4 (22/11)	911.0 (25/7)	1155.4 (22/11/85)	40.4 (26/6/40)	Value	1303.8	1473.7
Gold Mines	636.0 (16/4)	617.6 (5/11)	754.7 (15/2/83)	45.6 (26/10/71)	5-day Average Gilt Edged Bargains	152.1	150.7
					Equities Bargains	172.6	182.1
					Value	1051.5	1680.6

OPTIONS

First Dealings	Last Dealings	Last Declaration	For Settlement
Nov 18	Nov 29	Feb 20	Mar 3
Dec 2	Dec 13	Mar 6	Mar 17
Dec 16	Jan 3	Mar 26	Apr 7

For rate indications see end of Unit Trust Service

Call options were taken out in Amstrad, STC, Brunswick, West Coast, Intervision Video, Aspinall, Boots, United Biscuits, S. R. Gent, Pavion, Beecham, Bristol Channel Ship Repairers, Ashley Industrial Trust, Arthur Lee and Telemetrix. Puts were arranged in British Home Stores and Ashley Industrial Trust, while a double was transacted in Pelsart.

LEADERS AND LAGGARDS

Percentage change since December 31, 1984, based on Thursday, November 21, 1985

Stores	+ 48.08	Food Retailing	+ 20.70
Metals and Metal Forming	+ 45.23	Mechanical Engineering	+ 19.68
Motors	+ 43.90	Industrial Group	+ 17.92
Insurance (Life)	+ 42.01	All-Share Index	+ 17.39
Brewers and Distillers	+ 41.93	500 Share Index	+ 17.32
Office Equipment	+ 41.54	Insurance Brokers	+ 16.71
Shipping and Transport	+ 40.43	Health and H'sehold Products	+ 18.26
Insurance (Composite)	+ 34.18	Food Manufacturing	+ 15.44
Telephone Networks	+ 34.12	Oils	+ 13.10
Merchant Banks	+ 29.32	Investment Trust	+ 11.93
Contracting, Construction	+ 28.61	Leisure	+ 11.84
Packaging and Paper	+ 28.22	Property	+ 8.26
Newspaper, Publishing	+ 27.07	Capital Goods	+ 3.78
Building Materials	+ 26.29	Chemicals	+ 1.27
Textiles	+ 25.42	Electricals	− 1.87
Banks	+ 25.39	Mining Finance	− 3.79
Other Industrial Materials	+ 25.38	Overseas Traders	− 6.09
Consumer Group	+ 24.71	Tobaccos	− 8.77
Financial Group	+ 23.34	Electronics	− 29.27
Other Groups	+ 20.85	Gold Mines Index	− 38.89

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

RIGHTS OFFERS

[illegible]

Renunciation date usually last day for dealing free of stamp duty. b Figures based on prospectus estimates. p Assumed dividend and yield. [illegible] and Yield based on prospectus or other official estimates for 1986. q Forecast [illegible] otherwise indicated. † Issued by tender. ‡ Offered to holders of ordinary shares as a "rights." ** Issued by way of capitalisation. §§ Reintroduced. ¶¶ Issued in connection with reorganisation, merger or takeover. ||| Allotment price. ¶ Dealt in under Rule 535 (3). ‡ Unlisted Securities Market. [illegible] † Units comprising 5 ordinary shares and 1 warrant.

NEW HIGHS AND LOWS FOR 1985

NEW HIGHS (126)

BRITISH FUNDS (3)
INT BANK O'SEAS GOVT ISSUES (1)
AMERICANS (1)
BANKS (6)
BREWERS (5)
BUILDINGS (10)
CHEMICALS (5)
STORES (6)
ELECTRICALS (7)
ENGINEERING (7)
FOODS (3)
HOTELS (1)
INDUSTRIALS (22)
INSURANCE (1)
LEISURE (2)
PAPER (2)
PROPERTY (6)
TEXTILES (1)
TRUSTS (33)
OILS (1)
OVERSEAS TRADERS (1)

NEW LOWS (23)

ELECTRICALS (8)
Cranbrook Elec, TDS Circuits, Plasmec, Telemetrix, Sintrom, United Leasing, Sound Diffusion, Webber Electro
HOTELS (1)
Aberdeen Steak Houses
INDUSTRIALS (2)
Assoc Energy, Restmor
LEISURE (1)
Juliana's Hldgs
NEWSPAPERS (1)
Home Counties News
PROPERTY (2)
London Prov Shop, Westminster Country
SHIPPING (1)
Mersey Dock Units
TRUSTS (1)
Parambe
OILS (3)
Bridge Oil, Lysander Pet, Claremont Pet
OVERSEAS TRADERS (1)
Sime Darby
MINES (2)
Geevor Tin, Greenwich Res

RISES AND FALLS YESTERDAY

	Yesterday Rises	Yesterday Falls	Yesterday Same	On the week Rises	On the week Falls	On the week Same
British Funds	41	10	53	331	54	156
Corporations, Dom and Foreign Bonds	11	8	65	107	25	278
Industrials	310	263	913	1,524	1,348	4,566
Financial and Props.	164	67	334	558	488	1,799
Oils	21	21	85	98	118	420
Plantations	0	2	16	0	5	85
Mines	33	27	127	180	191	564
Others	92	31	105	307	318	518
Totals	672	432	1,688	3,106	2,521	8,380

YESTERDAY'S ACTIVE STOCKS

Above average activity was noted in the following stocks yesterday.

Stock	Closing price	Day's change	Stock	Closing price	Day's change
Asset Special Sits.	71	+16	Connells Est. Agents	167	+10
Bairstow Eves	155	+28	Grand Metropolitan	396	+ 6
Boots	255	+18	Henson Trust	224	+ 3
Britannia Arrow	148	+ 6	Jaguar	337	+ 3
BP	605	—	Kwik Save	242	+ 4
Burton	603	−20	Plessey	142	+ 8

THURSDAY'S ACTIVE STOCKS

Based on bargains recorded in SE Official List

Stock	No. of changes	Thurs. close	Day's change	Stock	No. of changes	Thurs. close	Day's change
Sangers Photo.	43	78	+39	United Biscuits	24	232	+18
Boots	34	237	+15	Thorn EMI	22	417	+20
Beecham	32	303	+15	ICI	21	720	+ 6
Distillers	25	495	− 3	Brit. Aerospace	20	455	+ 7
BP	24	605	+13	Burton	20	623	+18
STC	24	95	+ 5	GEC	20	182	+10

5-DAY ACTIVE STOCKS

Based on bargains over the five-day period ending Thursday.

Stock	No. of changes	Last Thurs. close	Change on week	Stock	No. of changes	Last Thurs. close	Change on week
ICI	112	720	+39	Courtaulds	94	182	+14
Beecham	110	303	+10	Metal Box	91	520	−27
BP	107	605	+48	Br. Home Strs.	88	366	+43
Polly Peck	99	178	−47	Brit. Aerospace	85	455	+10
Ashley In. Tst.	96	76	+35	BAT Industries	84	295	− 5
Glaxo	95	£15½	+ 0¼	STC	84	96	+16

S E DEALINGS

STERLING ISSUES BY FOREIGN GOVERNMENTS AND INTERNATIONAL INSTITUTIONS

[illegible]

CORP COUNTY STOCKS

[illegible]

UK PUBLIC BOARDS

[illegible]

COMMONWEALTH GOVT.

[illegible]

FOREIGN STOCKS (coupons payable in London)

[illegible]

STERLING ISSUES BY OVERSEAS BORROWERS

[illegible]

BANKS, DISCOUNT

[illegible]

BREWERIES

[illegible]

COMMERCIAL, INDUSTRIAL

A—B

[illegible]

C—D

[illegible]

E—F

[illegible]

G—H

[illegible]

STOCK EXCHANGE DEALINGS

Details of business done shown below has been taken with consent from last Thursday's Stock Exchange Official List and should not be reproduced without permission.

Details relate to those securities not included in the FT Share Information Services.

Unless otherwise indicated, denominations are 25p and prices are in pence. The prices are those at which the business was done in the 24 hours up to 3.30 pm on Thursday and settled through the Stock Exchange Talisman system; they are not in order of execution but in ascending order which denotes the day's highest and lowest dealing prices.

For those securities in which no business was recorded in Thursday's Official List, the latest recorded business in the four previous days is given with the relevant date.

‡ Bargains at special prices. ● Bargains done the previous day. △ Bargains done with non-member or executed in overseas markets.

Hepworth (J.) Son 7pcAPf (51) 61 (18/11). 10pcBPf (50) 42 (15/11)
Herrburger Brooks 10 1 3 (20/11)
Hestair Consumer Products 8pcLn 1985-95 £54
Hickson Intnl 8½pcLn 1989-94 £84½ (15/11)
Higgs Hill 8pcLn 1980-04 £77 (20/11)
Hoechst Ag (Cpn47) £71
Hoechst Finance 10pcLn 1990 with Rts £258
Home Counties Newspapers Hldgs 107
Horne Bros 7¾pcLn 1005-2000 £70½ (20/11)
House of Fraser 5½pcPf (£1) 48 (19/11). 6pcLn 1993-98 £68 (19/11). 8½pcLn 1003-98 £82

Scott's Restaurant (12½p) 560 (20/11)
Scera 7pc A Pf (£1) 60 (20/11). 7¼pc Ln 1982-07 £77½ (18/11)
Senior Engg Go 9.6pcLn 1991-96 £82½
Shaw Carpets 10pc2ndPf (£1) 98
Sheffield Brick Go (10p) 16 (18/11)
[illegible] 7½pcLn 2003-08 £66 (19/11)
Simon Engg 6pcPf (£1) 45 (18/11). 6.35pc Pf 1991-96 (£1) 76
Simpsons (S.) 370
600 Group 4½pcPf (£1) 37½ 8½ (20/11)
Skaltaller 4.2pcPf (£1) 137 (19/11)
Smith & Nephew Assctd Cos 5½pcPf (£1) 40½ (19/11)
Smith (W. H.) & Son (Hldgs) 8 (10p)

Plantation Trust 7¼pcCnvLn 2000 £78 (20/11)
Rights and Issues Inv 50 (18/11). 7½pcPf (£1) 70 5 (18/11)
Silver Plate and Gen Wts 4ab Dld 88 (19/11)
Scottish Cities Inv Trust 458 (20/11)
Scottish Eastern 4½pcPf £40
Scottish Mortgage and Trust 8pc 14pc stepped int Db 2020 £120½ (18/11)
Scottish National Trust 6pcPf (£1) 52
Second Alliance Trust 4½pcPf £30½
Securities Trust of Scotland 4½pcPf £40½ (10/11)
Shires Invest (50p) 207. Wrnts to sub 34½
TR Technology 5pcPf (£1) 44 (20/11)
Temple Bar Invest Trust 7pcPf (£1) 60 (19/11)
Throgmorton Sec Growth Trust 7¼pcDb 1978 £97½ (19/11)
Throgmorton Trust 12¼pcDb 2010 £108¼ (20/11)
Tor Invest Trust 4½pcPf (£1) 40 (15/11)
Trans-Oceanic Trust 5pcPf £45½ (19/11)
United States Deb Corp 4.6pcPf £57●
Vantage Secs (10p) 66. Wrnts to sub 23
Winterbottom Energy Trust 5½pcPf (£1) 51½ 9½ (19/11)
Witan Invest 2¾pcPf (£1) 36 (10/11). 2pcDb 1996-89 £78½●

MINES—MISCELLANEOUS

AMAX Inc 8pcDb 1/1/86 ($100) £55 (19/11)
Anglo United Devpt Corp shs of NPV (Canadian Regd) 55
Ayer Hitam Tin (10p) 14
Botswana RST (Pa2) 5½ (15/11)
Consld Gold Fields 7¼pcLn 1999-2004 £73 (20/11). 6½pcLn 1056-93 £83½ ½
De Beers Consld Mines Dfd (R0.05) (Br) Cpn 761 350 5
El Oro Mng and Expl (10p) 131 (20/11)
Gullain Gold Mines shs of NPV 475 (19/11)
MTD (Mangula) (Z$1) 11 (18/11)
Minerals and Res Corp (D$1.40) 540 5 7
North Kalgurli Mines Opt to sub for 1 shr 25 (20/11)
Northgate Invests (R0.10) 4 (20/11)
Rio Tinto-Zinc (£pn 53) $40●. Accum 326. 6½pcLn 1985-90 £83½
Zambia Consld Copper Mines B (K10) 70

MINES—SOUTH AFRICAN

Coronation Syndicate (R0.25) 30 (19/11)
General Mining Union Corp 12.5pc Db (Rd) (R27) £5

OIL

British Petroleum 8pc2ndPf (£1) 82 ½

Perkins (John) Meats (10p) 3
Property Tst (10p) 6 ½
Quested (10p) 181 (10/11)
Shandwick New (2p) 187 8 (20/11)
Sterling Publishing Go New (50) 57 ½ 64 5 7 8 9
Swindon Private Hosp (£1) 100 (20/11)
TMD Advertising Hldgs (50) 122 (20/11). New (50) 122 3 4 6
Technology for Business 7pcPf (£1) 110
United Friendly Ins. B (10p) 420 3 (20/11)
World of Leather (10p) 149 50 (18/11). New (10p) 150 1 2 3 5

RULE 535 (4) (a)

Bargains marked in securities where principal market is outside the UK and Republic of Ireland. Quotation has not been granted in London and dealings are not recorded in the Official List

A-Cap Development 4½ (20/11)
ACI Intnl 1380 (15/11)
ADG Minerals 6
Arnold DM 83.50 (15/11)
Air Products & Chemicals £40¼ (20/11)
Albertson's Inc £21½
Allied Hldgs 103 (20/11)
Amatil 278 (19/11)
American Electric Power £15½
American Home Products £41½● (10/11)
Ampol 100● 08 100
Ampol Expln 100 (20/11)
Amsterdam-Rotterdam Bank £23.40● Fls 98.90 523.60 ½
Anglo-Aloha US$2.2 (15/11)
Apex Oil (A$0.25) 7½ (18/11)
APM 130 (19/11)
Assoc Manganese Mines of SA £23¼ (18/11)
Atlantic Richfield £44 (18/11)
Base Resources 0½ 50 90

RULE 535 (2)

Applications granted for specific bargains in securities not listed on any exchange

Adnams B (£1) 15 07 (15/11)
Airship Inds 23 4 (20/11). Db (1p) 23½ 4
All England Lawn Tennis Gnd £50 Dbs 1986-90 (F.P.) £14,000 100 (18/11)
Anglo-Am Agric 48 7 (19/11)
Arlington Secs (£1) £159.40 (18/11)
Cambridge Instr (50) 115 20 (20/11)
Carraun (10p) 32 (19/11)
Castletown Brewery 277 80
Central ITV (50p) 310 5 (18/11)
Channel Hotels & Props (10p) 117 8
Ciba-Geigy FacLn 1981-94 (£100) £460 ¾
Dart Valley Light Rlwy (£1) 120 (18/11)
Dawson (Wm) (10p) 775 7 (10/11)
[illegible]
For Eyes (1p) 28 8 (19/11)
Galena Ceylon Tea (20p) 13 (18/11)
Greenstar Hotels (10p) 37½ 3
Guernsey Gas Light (£1) 750 (20/11)
Harvard Secs (7p) [illegible]
[illegible] 755 80 (10/11)
[illegible] (10p) 200
ICF (1p) £10.03
Integrated Business (50) 102 5 (20/11)
Island Garages (10p) 8 (15/11)
[illegible]
Jennings Bros 300 303 (15/11)
Jersey Elec SharPf (£1) 27 (20/11)
Jersey New Waterworks [illegible]Pf (£5) 90 (20/11). 5pc3rdPf (£5) 200 (20/11)
Kent Atlas Brewery 5pcPf (£10) 300 50 (19/11)
Kenrick Leisure (10p) 45 8½ (18/11)
Lincolnshire Std 200
London Fiduciary Tst (10p) 9 [illegible] (18/11)
[illegible]
Manchester Utd FC (£1) 380 (20/11)
Merrett (10p) 190 91½ (19/11)
Midland City Partnerships (10p) 155 6 (20/11)
Mitch Norton (1r£1) 120 (20/11)
Newbury Racecourse (£100) £930 50 (10/11)
[illegible]
Wiesch (1p) 15 6

RULE 535 (3)

Dealings for approved companies engaged solely in mineral exploration

(By permission of The Stock Exchange Council)

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

CONTINUED OVERLEAF

AUTHORISED UNIT TRUSTS & INSURANCES

Oppenheimer Fund Mngt Ltd
66 Cannon St, London EC4N 6AE Dlg. 01-236 3885

International Growth	100.0	106.5	+0.5	1.40
Income & Growth	45.6	48.5	+0.2	1.00
Special Situations	57.3	61.0	+0.3	1.50
American Growth	27.2	28.9	+0.2	1.00
Japan Growth	34.8	37.0	+0.2	—
European Growth	43.8	46.5	+0.4	2.80
UK Growth	42.7	45.1	—	0.90
Pacific Growth	32.9	34.5	−0.6	2.20
High Income	29.2	31.2	+0.1	7.40
Practical Income Units	44.7	47.5	+0.5	2.70
Practical Accum. Units	79.8	85.0	+0.5	2.70

Pearl Trust Managers Ltd (a)(g)
252 High Holborn, WC1V 7EB 01-405 8441

Pearl Growth Fd.	69.5	73.9	+0.1	3.33
Accum Units	102.6	109.2	+0.2	3.33
Pearl Inc.	98.1	104.4	+0.5	4.79
Pearl Unit Tst.	104.2	110.9	+0.6	3.79
(Accum. Units)	176.2	187.4	+1.0	3.79

Perpetual Unit Trust Mngmt. (a)
48 Hart Street, Henley on Thames 0491 576868

Growth	207.8	223.0	+0.4	1.95
Income	152.8	163.7xd	+0.5	5.30
Worldwide Recovery	113.5	127.2	+1.0	2.16
American Growth	56.9	61.1	+0.5	1.1
Intl. Emerging Cos.	61.5	66.0	+0.3	0.75
Far East Growth Fd.	52.1	55.9	−0.6	1.19

Prolific Unit Trusts
222 Bishopsgate, London EC2 01-247 7544/7

Prolific American Int.	47.0	50.0	—	5.25
Prolific Far East	112.4	119.6	—	0.18
Prolific Extra Inc.	68.2	72.5	+0.4	5.43
Prolific Convert & Gilt	84.6	89.7xd	+0.2	7.00
Prolific High Inc.	144.5	153.2xd	+0.8	4.91
Prolific Intl.	88.2	93.9	+1.0	1.61
Prolific N. Amer.	115.7	123.1	+1.4	2.78
Prolific Spec. Sits.	160.6	170.5	+1.0	1.31
Prolific Technology	99.2	105.5	+1.4	0.67

Providence Capital Fd. Mgrs. Ltd
30 Uxbridge Road, London W12 8PG 01-749 9111

Japan Inc.	53.9	57.1xd	+0.1	0.21
Japan Acc.	54.0	57.2	+0.1	0.21

Swiss Life Pen. Tst. Man. Co Ltd (a)(c)
99-101 London Rd, Sevenoaks 0732 450161

Equity Dist.*	233.2	246.7xd	—	3.85
Equity Acc.*	281.2	297.5xd	—	3.85
Fixed Int. Dist.†	114.6	118.7xd	—	11.39
Fixed Int. Acc.†	168.0	174.0xd	—	11.39

*Prices on Nov 18. Next dealing Dec 11
†Prices on Nov 18. Next dealing Dec 4

TSB Unit Trusts (b) (c) (y)
PO Box 3, Keens House, Andover, Hants SP10 1PG
0264 62188 Dealings to 0264 63432-3

TSB American	95.4	101.5	+1.0	1.96
Do. Accum.	99.3	105.7	+1.2	1.96
TSB Extra Income	91.2	97.1	+0.4	5.84
Do. Accum.	104.9	111.7	+0.4	5.84
TSB General	133.0	142.5	+1.2	3.09
Do. Accum.	216.7	230.5	+1.9	3.09
TSB Gilt & Fxd Int.	46.9	48.9xd	−0.1	9.14
Do. Accum.	58.9	61.4	−0.1	9.14
TSB Income	183.1	194.8	+1.3	4.60
Do. Accum.	275.1	293.4	+1.9	4.60
TSB Pacific	108.5	115.5	+0.4	0.62
Do. Accum.	111.2	118.4	+0.4	0.62
TSB International	242.3	257.9xd	+2.2	1.99
Do. Accum.	297.4	316.4	+2.7	1.99
TSB Natural Resources	42.4	[illegible]	+0.3	1.88
Do. Accum.	43.2	[illegible]	+0.3	1.88
TSB Smlr. Cos.	49.8	[illegible]	+0.1	2.16
Do. Accum.	54.1	57.6	+0.1	2.16

3i & Target Fund Mgrs Ltd
2 St Mary Axe, London EC3A 8BP 01-928 3356

Small Co's Fund	66.0	70.2xd	+0.8	0.10

Target Trust Mngrs. Ltd (a)(g)
Target Hse, Gatehouse Rd, Aylesbury Bks (0296) 5941

American Eagle	67.3	[illegible]	[illegible]	0.40
Australia	29.5	[illegible]	[illegible]	0.10
Commodity	79.6	[illegible]	[illegible]	2.72
Energy	39.0	[illegible]	[illegible]	2.46
Equity	110.8	[illegible]	[illegible]	3.14
European Spec. Sits.	66.9	[illegible]	[illegible]	0.62
Extra Income	95.0	[illegible]	[illegible]	7.73
Financial	222.5	[illegible]	[illegible]	2.14

[illegible]

INSURANCES

[illegible]

هكذا من الأصل

INSURANCE, OVERSEAS & MONEY FUNDS

OFFSHORE AND OVERSEAS

World Wide Growth Management
10a, Boulevard Royal, Luxembourg
Worldwide Gth Fd | $14.13 | ... | —
Inv Adv. M. & G. Inv Mngt. Ltd, London.

Yamaichi Dynamic Mngt Co SA
10A Boulevard Royal, Luxembourg
Advanced Tech | $11.67 | ... | —
Dynamic Gwth Fd | $10.54 | ... | —

Zero Bond Fund Limited
PO Box 208, St Peter Port, Guernsey 0481 25268
Zero Bond Fund | $10.11 | 10.72 | ... | —

Money Market Trust Funds

	Gross	Net	Gr Equiv CAR	Int Cr
The Charities Deposit Fund 77 London Wall, London EC2N 1DB 01-588 1815				
Deposit	11.10		—	3-Mth
The Money Market Trust 63 Qn Victoria St, EC4N 4ST. 01-236 0952				
Call Fnd	11.43	8.69	12.75	6-mth
7-day Fnd	11.59	8.67	12.70	6-mth
Oppenheimer Money Management Ltd 66 Cannon St, EC4N 6AE. 01-236 1425				
Call Fnd	11.00	8.22	11.99	6-Mth
7-day Fund	11.04	8.25	12.03	6-Mth
Dollar	6.87		—	6-Mth

Money Market Bank Accounts

	Gross	Net	Gr Equiv CAR	Int Cr
Adam & Co. plc 22 Charlotte Sq. Edinburgh, EH2 4DF 031-225 8484				
Full Service Chq Acc	11.00	8.00	11.78	Qtr
Aitken Hume 30 City Road, EC1Y 2AY. 01-638 6070				
Treasury Acc	11.00	8.22	12.11	Qtr
Mth. Int. Chq.	11.000	8.22	12.18	Mth
Allied Arab Bank Ltd 97-101 Cannon St, London, EC4N 5AD 01-283 9111				
HIDCA	11.50	8.60	12.78	mth
Bank of Scotland 38 Threadneedle St, EC2P 2EH. 01-628 8060				
Money Mkt Cheque Acc.	11.00	8.22	12.18	Mth
Barclays Prime Account PO Box 125, Northampton 0604 252891				
High Int. Cheque	11.00	8.25	12.2	Qtr
Britannia Investment Services Ltd. 74-78 Finsbury Pavement, EC2A 1JD. 01-588 2777				
Cater Allen	11.00	8.22	12.20	Mth
Charterhouse Japhet plc 1 Paternoster Row, EC4M 7DH. 01-248 3999				
Sterling	11.13	8.32	12.34	Mth
U.S. Dollar	7.25	7.25	7.50	Mth
German Marks	4.25	4.25	4.33	Mth
Swiss francs	1.50	1.50	1.51	Mth
Japanese Yen	5.00	5.00	5.12	Mth
Citibank Savings St Martins Hse, Hammersmith Grove 01-748 9251				
Money Market Plus	—	9.57	14.20	Mth
Co-operative Bank Cheque & Save 78-80 Cornhill EC3 01-626 6543.				
£500-£2,500	9.50	7.10	10.41	Qtr
£2,500 +	12.06	9.02	13.38	Qtr
Dartington & Co Ltd Dartington, Totnes, Devon TQ9 6JE. 0803 862271				
Money Mkt Acc.	11.00	8.22	12.11	Qtr
Edward Manson & Co Ltd 9 Henrietta Place W1M 9AG 01-631 3313				
Cheque Deposit Acc.	11.50	8.59	12.76	Mth
Henderson/Bank of Scotland 38 Threadneedle St EC2P 2EH 01-628 8060				
Money Mkt. Cheque Acc.	11.00	8.22	12.18	Mth
Legal & General (Money Mngrs) Ltd 395 Euston Road, NW1 3AG 01-388 3211				
High Int Dep Acc	11.64	8.70	...	6-mth
Lloyds Bank PLC 71 Lombard St, London, EC3P 3BS. 01-626 1500				
HighIntCheque Account	11.25	8.25	12.26	Qtr
Lombard North Central PLC 17 Bruton St, W1A 3DH. 01-409 3434				
14-Day Notice	11.500	8.596	12.280	—
M & G/Kleinwort Benson 91-99 New London Rd, Chelmsford. 0245 51651				
H.I.C.A.	11.00	8.22	12.21	Daily
Midland Bank plc PO Box 2, Sheffield. 0742 20999 Ext 8655				
High Int Chq Acc.	10.70	8.00	11.92	Qtr
£10,000 +	11.10	8.30	12.39	Qtr
Oppenheimer Money Mgmt Ltd 66, Cannon St, EC4N 6AE. 01-236 1425				
Money Mngt. Acct.	10.875	8.13	11.97	3-Mth
Phillips & Drew Trust Ltd 120 Moorgate, London EC2M 6XP 01-628 9771				
High Int Chq Acc.	11.3125	8.46	12.47	Qtr
Provincial Trust (formerly Choularton) 30 Ashley Rd, Altrincham, Cheshire 061-928 9011				
Cheque Acc.	11.50	8.60	12.79	Mth
Royal Bank of Scotland plc 24 Lombard St, London EC3V 9BA 031-557 0201				
Premium Account	11.0	8.22	12.11	Qtr
Save & Prosper/Robert Fleming 28 Western Rd, Romford RM1 3LB. 0708 66966				
H.I.B.A.	10.70	8.00	11.89	Daily
Tyndall & Co 29-33 Princess Victoria St, Bristol. 0272 732241				
Demand Acc	11.21	8.38	12.35	Qtr
Money Acc	11.03	8.25	12.15	Qtr
J. Henry Schroder Wagg & Co Ltd Enterprise House, Portsmouth 0705 827733				
Special Acc.	11.00	8.22	12.20	Mth
Over £10,000	11.25	8.41	12.49	Mth
Western Trust & Savings Limited The Moneycentre, Plymouth PL 1SE 0752 24141				
High Int Chq Acc	11.69	8.55	12.61	Qtr

NOTES—Gross: rate to those exempt from composite rate of tax. Net: actual rate after deduction of CRT. Gr Equiv CAR: Gross equivalent to basic rate taxpayers—compounded annual rate. Int Cr: frequency interest credited.

NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ¶ Guernsey gross. ‡ Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies. ♦ Yield column shows annualised rates of NAV increase. xd ex dividend.

OPTIONS

3-month call rates

Industrials	p		
Allied-Lyons	28	Marks & Spencer	13
BAT	26	Midland Bk	35
BOC Grp	27	NEI	10
BSR	8	Nat West Bk	55
BTR	33	P & O Dfd	35
Babcock	13	Plessey	14
Barclays	33	Polly Peck	21
Beecham	30	Racal Elect	15
Blue Circle	50	RHM	12
Boots	18	Rank Org Ord	35
Bowaters	30	Reed Intnl	60
Brit Aerospace	32	Sears	11
Brit. Telecom	17	TI	35
Brown (J.)	3½	Tesco	24
Burton Ord	45	Thorn EMI	34
Cadburys	13	Trust Houses	12
Charter Cons	18	Turner Newall	9½
Comm Union	23	Unilever	90
Courtaulds	13	Vickers	35
Distillers	36	**Property**	
FNFC	12	Brit Land	14
Gen Accident	55	Land Secs	26
Gen Electric	14	MEPC	26
Glaxo	100	Peachey	24
Grand Met	30	Samuel Props	15
GUS 'A'	70	**Oils**	
Guardian	60	Brit. Oil & Min	3½
GKN	20	Brit Petroleum	45
Hanson Tst	18	Burmah Oil	27
Hawker Sidd	36	Charterhall	4
ICI	42	Premier	5
'Imps'	16	Shell	55
Jaguar	27	Tricentrol	18
Ladbroke	27	Ultramar	18
Legal & Gen	60	**Mines**	
Lex Service	24	Cons Gold	40
Lloyds Bank	35	Lonrho	12
Lucas Inds	98	Rio T Zinc	50

A selection of Options traded is given on the London Stock Exchange Report Page.

LONDON SHARE SERVICE

BRITISH FUNDS

1985 High	Low	Stock	Price £	+ or –	Yield Int.	Red.

"Shorts" (Lives up to Five Years)

101⅝	99⅛	Exch. 11¼pc '86	99⅞	.....	11.75	11.35
99⅝	10	Treas. 10pcCnv 1986	99½	.....	10.05	11.29
96⅞	92¼	Treas 3pc 1986	96½	–⅛	3.11	10.69
100	97½	Exch. 10½pc 1986	99⅞	.....	10.53	11.35
101⅞	99¼	Treas 12pc 1986	100½xd	.....	11.94	11.12
98½	94¼	Treas 8¼pc 1984-86‡‡	98¼	.....	8.63	11.08
105⅛	102⅞	Exch. 14pc 1986	102⅞	–⅛	13.67	11.11
94⅝	87¾	Exch. 2½pc 1986	94⅝	.....	2.64	8.27
104⅞	101⅛	Exch. 13¼pc 1987	102⅛	+⅛	12.97	11.07
99⅞	96⅝	Treas 10¼pcCv '87	99⅛	.....	10.33	10.38
93¼	85½	Exch 2½pc 1987	92⅞	.....	2.69	3.60
100⅛	96¼	Exch. 10½pc 1987	99⅛	.....	10.55	10.82
95⅛	89	Funding 6½pc '85-87‡‡	95	.....	6.84	10.35
99⅞	95½	Treas. 10pc 1987	98⅞xd	.....	10.11	10.24
91⅛	84¼	Treas 3pc 1987	91⅛	+⅛	3.29	8.91
102⅞	99⅝	Treas. 12pc 1987	101⅞	.....	11.77	10.85

Five to Fifteen Years

Over Fifteen Years

Undated

Index-Linked

INT. BANK AND O'SEAS GOVT STERLING ISSUES

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Building Societies

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

AMERICANS

AMERICANS—Cont.

1985 High	Low	Stock	Price £	+ or –	Div Gross	C'vr	Y'ld Gr's
	11⅝	Amer Medical Int $1	15⅞xd	.....	72c	—	3.9
	14	American T. & T. $1	16⅜	+⅛	$1.20	—	5.3
	61⅛	Ameritech $1	67⅝	+¼	$6.60	—	7.0
25	15½	Amfac‖	16½	.....	—	—	—
47p	20½p	♦AndTech‖	24p	.....	—	—	—
	919p	Bankamerica $1.5	10⅛	.....	80c	—	5.6
	41⅛	Bankers N.Y. $10	48⅜xd	+⅝	$2.70	—	4.0
	477p	BASIX Corp.	631pxd	+16	12c	—	1.4
	60⅝	Bell Atlantic $1	68⅛	+⅛	$6.80	—	7.2
	26⅝	Bellsouth $1	30⅞	+⅛	$2.80	—	6.5
	869p	♦Beth Steel $8	10⅝	+⅛	—	—	—
24	14⅞	Bowater Inc.	15⅛	.....	72c	—	3.3
41⅛	31⅛	Brown'g-Fer. 16⅔c	40⅛xd	+⅛	$1.08	—	1.9
37¼	23⅞	Brunswick Corpn.‖	28⅝	+½	$1.00	—	2.5
39⅞	29⅝	CPC Intnl. 25c	35⅞	+⅛	$2.20	—	4.4
25	16⅛	CSX Corp U.S.$1.00	19⅝	.....	$1.16	—	4.3
19¼	11⅛	CalFed Inc $1.00	17⅛xd	+⅛	32c	—	1.3
32⅝	25	Campbell Soup 30c	32	.....	$5.00	—	11.3
31⅛	23⅞	Caterpillar Tractor‖	26⅛	.....	50c	—	1.4
902p	551p	Cenergy Corp. 25c	596p	+15	4c	—	0.5
52¼	34⅝	Chase M'hn $12.5	43⅛	+⅛	$3.80	—	6.3
38¼	23⅞	Chemical New York	26⅞	+⅛	$2.48	—	6.3
34½	22	Chesebrough-Pond's $1	29⅛xd	–⅛	$2.00	—	4.9
32⅛	24⅛	Chrysler $6¼	30⅝	+⅝	$1.00	—	2.4
42¼	27⅞	Citicorp $4	31⅞	+⅛	$2.26	—	3.1
10½	662p	CityFed Fin. Corp.	692p	–10	40c	—	4.2
23⅛	18⅛	Colgate-P. $1	21⅛	.....	$1.36	—	4.6
57⅞	41	Colt Inds. $1	43⅞	+⅛	$2.50	—	4.1
681p	460p	Cont Illinois Corp $1	519p	–1	—	—	—
155p	40p	Cont Illinois Hldgs $1	52p	.....	—	—	—
238p	49p	♦Corporate Data Scace.	59p	.....	—	—	—
36¼	25⅛	Crown Zell. $5	26xd	–⅛	$1.00	—	2.6
44⅛	995p	Cullinet Sftwr $0.1	11½	.....	—	—	—
50⅛	242p	Damson Oil 40c	285p	+34	—	—	—
29	15⅞	Dana Corp. $1	18⅞xd	–½	$1.28	—	4.9
67	22⅛	Data General	29⅞	+1⅛	—	—	—
77p	16⅛p	♦Derma-Lock Medical	16⅛p	.....	—	—	—

CANADIANS

BANKS, HP & LEASING

Hire Purchase, Leasing, etc.

BEERS, WINES & SPIRITS

BUILDING, TIMBER, ROADS

BUILDING, TIMBER, ROADS—Cont.

CHEMICALS, PLASTICS

DRAPERY AND STORES

DRAPERY & STORES—Cont.

ELECTRICALS

ENGINEERING

ENGINEERING—Continued

FOOD, GROCERIES, ETC

HOTELS AND CATERERS

HOTELS—Continued

INDUSTRIALS (Miscel.)

INDUSTRIALS—Continued

1985 High	1985 Low	Stock	Price	+ or −	Div Net	C'vr	Y'ld Gr's	P/E
45	34	Macfarlane (P & W) 20p	45	+1	†1.7	2.3	5.4	9.3
88	46	Magnolia Group	88	.....	2.6	3.0	4.2	10.7
60	28	♦Malvern Hldgs 10p	52	−3	—	—	—	84.9
515	202	Man. Ship Can. £1	487	.....	5.5	5.5	1.6	25.6
114	70	Marley	108	−2	3.75	2.2	5.0	13.1
107	92	Marling Ind. 10p	92	.....	4.5	5.1	2.3	11.7
82	36	Marshall L'ay. 'A'	72	−2	†2.4	4.9	4.8	1.2
77	55	Marshall's Universal	78	.....	†2.0	1.4	4.1	(22.2)
89	70	Do. 7¾pcCuRedPf £1	89	.....	7½%	—	12.0	—
£120	£81	♦Mathesons 7¾%	£120	.....	Q7¾%	2.3	f7.2	—
35	15	♦Maxiprint 1p	19	.....	—	—	—	—
551	375	Metal Box £1	515	−5	17.25	3.0	4.8	8.1
170	110	Metal Closures	113	−1	6.7	2.0	8.5	7.1
17	3	♦Metal Sciences 2½p	5½xr	−½	—	—	—	—
104	63	♦Midland Marts	80	+2	4.0	2.1	7.2	9.4
*83½	55½	Mitchell Cotts	73	−1	4.25	2.0	8.6	(7.1)
230	182	Morgan Crucible	202xd	.....	†8.0	1.6	3.7	14.0
33	22	♦Morris (W) F.A. 20p	23	−1	g0.5	♦	3.1	♦
131	91	Moss (Robt.) 10p	138	.....	†3.0	2.5	3.9	12.0
81	60	Mysan Grp 10p	66	+1	g2.5	3.4	5.5	12.3
328	214	♦NMW Computers	290	.....	†b4.8	2.7	2.4	22.3
43	28	Nash Inds.	32	.....	†2.5	1.5	‡	7.4
48	15	Neill & Spencer 10p	38	.....	♦	—	—	5.4
44	14½	Newman Inds 10p	33	.....	28.3	—	1.3	(5.6)
46	26	Norton	46xd	.....	1.1	8.1	3.6	4.6
274	146	Norcros	212	−2	8.6	2.2	5.8	10.6
67	45	Nu-Swift 5p	59	.....	†3.0	1.9	8.6	8.1
114	68	Oakwood Grp.	102	.....	†4.5	1.4	6.3	(15.0)
250	150	Office & Elect.	232	.....	†7.5	2.6	5.1	10.9
108	75	Oldacre 20p	85	−3	4.0	2.6	6.7	7.5
58	37	♦Optometrics $0.01	40	.....	u0.5c	—	3.9	—
495	312½	Ofilane £1	445	.....	†23.4	1.8	5.3	10.5
18	6	Overstone 12½c	8	.....	—	—	—	—
£206	£158	Ozalid 9pc Cnv 87-92	£206	.....	g03.25	1.9	10.5	3.0
125	100	♦PCT Grp 10p	100	.....	Q9%	—	f4.9	—
£34	850	PLM 'B' Sk 25	850	.....	3.2	1.2	6.8	(24.2)

LEISURE—Continued

1985 High	1985 Low	Stock	Price	+ or −	Div Net
52	7	♦Entertain Prod 5p	10	.....	bd2.25
82	50	Fairline Boats 10p	81	−1	†2.63
391	228	First Leisure £1	378	+10	†6.5
69	51	GRA Group 5p	67	.....	—
32	25	Grampian TV 'A' 10p	30	.....	†d1.67
172	117	HTV Non/Vtg.	172	.....	7.7
148	78	Horizon	93	.....	†4.4
140	95	Intal Leisure 10p	95	.....	4.8
232	100	Juliana's Hldgs 2p	100	−3	†2.0
300	217	LWT	275	.....	14.4
38	25	♦Leisure Inv 10p	34	+1	n—
65	53	Leisuretime Int 10p	54	.....	†2.1
115	98	♦Lewmar	105	+2	†2.6
183	153	♦Media Tech Int 20p	166	.....	g2.58
205	124	Medminster 10p	155	.....	3.35
280	175	♦Miss World 10p	185	−5	3.6
127½	69	Nationwide Leisure	69	.....	(3.75)
39	11½	♦Nimslo Int 20c	12½	.....	—
27	19½	♦Owners Abroad	22¼	−½	1.0
53	36	Photax (Lon.)	48	+10	—
24½	18	♦P'dilly Radio NV 5p	21	.....	1.87
90	30	♦Pineapple Dnc St 10p	38	−2	—
342	183	Pleasurama 5p	325	−3	†b4.6
161	109	Do. 7pcCnvCmRedPf	160	.....	7%
96	77½	♦Pres Entertain 50p	86	−1	N2.0
65	18	♦Radio City 'A' NV	25	+7	†5.6
55	35	♦Radio Clyde NV	35	−10	3.25
63	34	Riley Leisure 10p	43	.....	†0.7
194	143	Saga Hols. 20p	192	.....	†6.0
*289	97	Samuelson Grp 20p	285xr	.....	†2.6
103	25	♦Sangers Photo 10p	103	+25	†2.0
202	138	♦Scamo 50p	138xd	−2	g3.68
182	128	Scott. TV 'A' 10p	182	.....	†8.8
508	260	SeaCo Inc $0.125	268	+8	—

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

INSURANCES

LEISURE

PROPERTY

PROPERTY—Continued

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

INVESTMENT TRUSTS—Cont.

Finance, Land, etc

FINANCE, LAND—Cont.

OIL AND GAS

OVERSEAS TRADERS

PLANTATIONS

Rubbers, Palm Oil

Teas

MINES

Central Rand

Eastern Rand

Far West Rand

MINES—Continued

O.F.S.

Diamond and Platinum

Central African

Finance

For Transvaal Cons see Rand Mines

Australians

For Eastmet see Industrials

Tins

Miscellaneous

1985 High	1985 Low	Stock	Price	+ or −	Div Net	Cvr	Y'ld Gr's
40	24	♦Ennex Int. Ir10p	32	.....	—	—	—
123	85	Greenwich Res	85	−5	—	—	—
215	115	Hampton Areas 10p	146	.....	3.75	0.9	3.4
260	135	♦Highwood Res.	145	.....	—	—	—
£22½	£15¾	Homestake Mining $1	£16½	.....	Q20c	—	0.9
310	155	♦McFinley Red Lake	210	−10	—	—	—
335	195	♦Mosto Explorations	280	.....	—	—	—
55	23	♦New Sabina Res C$1	42	+1	—	—	—
375	195	Northgate C$1	225	.....	—	—	—
685	525	RTZ	547	+4	†20.0	2.0	5.2
£145½	£116½	Do. 9½pcLn '95-2000	£120	.....	Q9½%	14.0	†8.2
980	880	♦Tara Expln $1	880	.....	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- ■ "Tap Stock".
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- ♥ Not officially UK listed; dealings permitted under Rule 535(4)(a).
- ♦ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- †† Dealt in under Rule 535(3).
- ¢ Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividend or forecast.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- ♦ Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ‖ No par value.

B.Fr. Belgian Francs. Fr. French Francs. ♦♦ Yield based on assumption Treasury Bill Rate stays unchanged until maturity of stock. a Annualised dividend. b Figures based on prospectus or other offer estimate. c Cents. d Dividend rate paid or payable on part of capital, cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Subject to local tax. x Dividend cover in excess of 100 times. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1984-85. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1986. K Figures based on prospectus or official estimates for 1984. M Dividend and yield based on prospectus or other official estimates for 1985-86. N Dividend and yield based on prospectus or other official estimates for 1985. P Figures based on prospectus or other official estimates for 1983. Q Gross. T Figures assumed. Z Dividend total to date.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

REGIONAL & IRISH STOCKS

The following is a selection of Regional and Irish stocks, the latter being quoted in Irish currency.

Stock	Price	+ or −
Albany Inv 20p	100	.....
Craig & Rose £1	900	.....
Finlay Pkg. 5p	51	.....
Holt (Jos) 25p	710	.....
Ioff Sim. £1	77	.....

IRISH

Stock	Price	+ or −
Fund 11¼% 1988	£100¾	.....
Nat. 9¾% 84/89	£95¾	.....
Fin. 13% 97/02	£104¾	.....
Arnotts	225	+5
CPI Hldgs	67	.....
Carroll Inds.	140	.....
Dublin Gas	77	.....
Hall (R. & H.)	56	+2
Heiton Hldgs.	23	+2
Irish Ropes	45	.....
Unidare	132	+2

"Recent Issues" and "Rights" Page 14

FINANCIAL TIMES

Saturday November 23 1985

Fiat signals move on Ford's UK truck division

By Alan Friedman in Milan

FIAT WAS said yesterday to be in an advanced stage of negotiations for the acquisition of Ford Europe's British truck division. It is understood, however, that any eventual deal could take the form of a joint venture rather than an acquisition.

The development was mentioned in Turin by Mr Giovanni Agnelli, chairman of Fiat group. It was the most explicit reference he has made to the prospect of a subsidiary Fiat-Ford deal following collapse last month of long-running talks designed to merge Ford's European car division with Fiat Auto.

The possibility of a venture between Fiat's Iveco commercial and industrial vehicles division and Ford's British truck division was hinted at by Mr Agnelli during remarks he made last month in Detroit.

In spite of Mr Agnelli's statement yesterday to Italian journalists at a conference on the car industry, Ford in Britain would not confirm acquisition by Fiat of its UK truck division was imminent.

"We are discussing possible forms of co-operation in the truck field," Ford said.

Ford's UK truck division employs 4,500 and last year made 94,200 commercial vehicles. The company claims a 31 per cent share of the UK market and says it is thus market leader.

There are two principal manufacturing centres, at Langley, west of London, and at Southampton, Hants. Langley makes cargo, medium and heavy trucks. Southampton produces Transit vans.

Mr Agnelli, commenting on Fiat's strategy in the car market following the collapse of merger talks with Ford, said that today Fiat had no need to link with another company.

However, the Fiat chairman stressed that in the 1990s, it would be desirable for Europe's six leading carmakers to create at least one group leader with about 25 per cent of the European market.

Success of summit lifts US hopes

BY STEWART FLEMING IN WASHINGTON

SENIOR REAGAN administration officials, basking in the enthusiastic reception given to the President by Congress on his return from the Geneva summit on Thursday, were yesterday echoing Mr Reagan's hopes of further progress in superpower relations. They warned, however, that any movement would be slow.

Mr Robert McFarlane, the President's national security adviser, said the summit "succeeded beyond reasonable expectations in establishing a very fair understanding on both sides of the other country's purposes, priorities, ambitions and willingness to compromise."

He described the arms control discussions between Mr Mikhail Gorbachev, the Soviet leader, and Mr Reagan as "probably the richest and most thorough exchange between leaders of East and West that I have ever known."

Mr George Shultz, the Secretary of State, told a morning television audience that he could not promise progress on arms control but that there was "some motion . . . an urgency that it should move further."

Both he and Mr McFarlane hinted strongly that attempts to resolve the regional conflict in Afghanistan could be one positive result. "We hope . . . we can engage and establish the basis for a political solution there," Mr McFarlane said.

In their efforts to impart an optimistic "spin" to the post-summit reporting, officials were also suggesting that the issue of human rights violations in the Soviet Union was one on which progress was made.

Mr Reagan's report on the summit to a joint session of Congress on Thursday night was a tumultuous success. But many congressmen in both parties, while emphasising their support for the President, said that although the summit itself was a personal triumph for the President, it was only a beginning to the process of improving US-Soviet relations.

Senator Nancy Kasselbaum, a moderate Republican and a member of the Senate Foreign Relations Committee, said: "While tangible accomplishments from the talks are modest, I believe the summit has opened the way for serious detailed negotiations on a series of critical issues."

Senator Charles Mathias (Republican) said: "The most we could expect was a better relationship and a little nudge for arms control, and that's what we got. But I think we did get one thing that I did not expect, which is kind of a new Ronald Reagan. This is the man that talked about the 'evil empire' and he has now changed . . . and I think that is important."

So far as his domestic political constituencies are concerned, the President appears to have bridged successfully the wide gulf between moderates and those on the right. The former have been regretting throughout his administration the lack of dialogue with the Soviet Union, while the latter have maintained that previous dialogues have merely presented the Soviet Union with opportunities to exploit US concessions at the bargaining table.

The point was heavily underlined in Mr Reagan's speech to Congress, in which he stressed that he had rejected the pursuit of "illusory detente" while stressing hopes for peace in the future.

Men In The News, Page 8

Mecca Leisure and Warner Holidays bought out for £95m

BY DAVID GOODHART

GRAND METROPOLITAN yesterday announced the sale of Mecca Leisure and Warner Holidays for £95m to a group of Mecca Leisure senior managers backed by Samuel Montagu and the Royal Bank of Scotland.

Outside the US, the deal is believed to be second only in size where management buy-outs are concerned to BAT Industries' disposal of Mardon Packaging for £173m.

The new business—to be called Mecca—will include Mecca Leisure's 92 social clubs (bingo halls) and 63 entertainment centres; the loss-making Warner Holidays; and Craison, Travelscene, Ison Brothers, Pointer Motor Company and Scottish Automatic Printing. It will be floated in 12 to 18 months time.

The combined businesses had an operating profit of £9.3m on turnover of £120m in the year to September 1984, compared with £7.2m on turnover of £110m in the previous year. The deal excludes the Mecca Bookmakers and casinos, which will remain with Grand Met.

Grand Met said last month that it was in talks with the management over a buy-out but stressed at the time that it was open to offers from outside.

Four or five companies are understood to have made offers, with the Rank Organisation coming closest with its £100m offer—but that would probably have been referred to the Monopolies and Mergers Commission.

The sale, which reduces Grand Met's turnover by only 2 per cent, is part of its strategy of concentrating on hotels, beer and food. Its shares rose 3p yesterday to close at 396p.

About £54m of medium terms bank loans are being provided by Samuel Montagu and the Royal Bank of Scotland and £41m of equity finance is being privately placed next week by Samuel Montagu.

The equity is divided between £31m in convertible preference shares and £10m ordinary equity. The management team — Mr Michael Guthrie, chairman; Mr Jeremy Long, finance director; Mr Barry Anderson, managing director social clubs; and Mr Michael Ludbrook, managing director entertainment and UK holidays—has raised £500,000.

That sum will become £1m (nominal value) of ordinary shares, giving the management team 10 per cent control prior to flotation.

After flotation its stake, which is 40 per cent owned by Mr Guthrie, will convert into £4m (nominal value) of ordinary shares, allowing the team to retain the 10 per cent stake. About 5 per cent of the company will be made available to branch and regional management in a share option scheme.

The company has tangible assets of £70m, mainly property, and less than £5m in debt. It employs about 8,000 people, over 50 per cent of them part-timers, and will have 7 per cent of the UK holiday market and 13 per cent of the bingo market.

Background; Page 4

Canon in talks on European group links

By Christopher Lorenz, Management Editor

CANON, the Japanese camera and office equipment maker which is one of the subjects of an EEC dumping inquiry into copiers, is negotiating with several European companies on a wide range of possible collaborative arrangements.

These could involve the manufacture and supply of copiers and other products, as well as technological co-operation Mr Takeshi Mitarai, president of Canon Europe, said in London yesterday. Speaking at a Society of Strategic and Long Range Planning conference, he refused to name the companies, but said the talks could also accelerate Canon's plans to start research and development in Europe in a few years.

The negotiations would not be concluded for several months. They could result in Canon's supplying products to more European companies on an original equipment manufacturer basis, under which the companies would sell Canon products under their brand names, Mr Mitarai suggested.

Canon already has limited OEM links with a number of European and US companies on various products — including Kodak and Agfa-Gevart on copiers — but Canon's thrust into the European copier market has been mainly under its own brand name. Other Japanese copier suppliers, such as Sharp, Toshiba, and Ricoh, have followed a more mixed approach.

Mr Mitarai said the dumping inquiry was not the only factor behind the negotiations. Talks were under way independently of the EEC move, and were not confined to copiers.

The group had recently started to expand copier production at its French and West German factories, and might now consider manufacturing elsewhere in Europe. Mr Mitarai said: "I would like to see the Canon products that are sold in Britain made in Britain."

The UK was at a disadvantage, however, compared with France, for example, because it had several regional development agencies, rather than one for the whole country.

He denied reports that Canon planned to respond to the EEC dumping inquiry by floating its European operations on local stock markets next year. The parent company would be seeking listings for its shares in London, Paris, New York and possibly Brussels, but not until after 1986. At present, it is quoted only on the Frankfurt and Luxembourg exchanges.

As a second stage, it hoped to float its European subsidiaries, "but not for three to five years." This would happen only when these companies had improved their profitability and balance sheets. At present, there were "uncertainties" in several subsidiaries.

Hong Kong shares fall sharply

BY DAVID DODWELL IN HONG KONG

SHARE PRICES on Hong Kong's stock exchanges tumbled yesterday as investors absorbed the implications of China's latest and most explicit warning over political reforms in the territory.

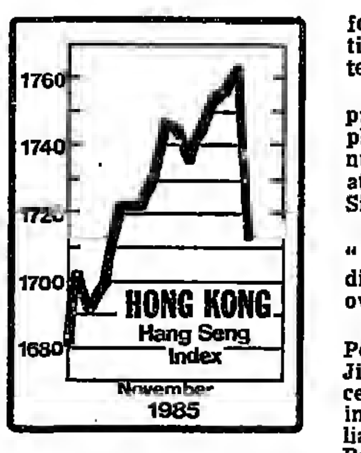
The broadside over the current pace and direction of political reform in Hong Kong came from Mr Xu Jiatun, head of the New China News Agency and China's most senior representative in the territory.

It was seen by many as an ominous sign that China was unwilling to allow the present British colonial Government to rule there without interference up to 1997, despite assurances to the contrary in the Sino-British joint declaration on Hong Kong's future signed in Peking last December.

Almost 50 points was shaved off the Hang Seng Index, the main indicator of stock market prices, after months of steady improvement.

The index stood at 1,712 at the end of a day of heavy selling pressure.

Mr Xu's statement, that the future shape of Hong Kong's government was for China to decide, was not a complete surprise.



It followed a series of indirect comments from Peking in recent months that Hong Kong could not be allowed to develop into an independent country after 1997, when sovereignty reverts to China, and that the future shape of government was a matter for China alone to decide.

There have been hints that Peking is far from comfortable about recent democratic reforms, including the introduction of indirect elections to the territory's legislative assembly.

Mr Xu went further than previous statements by complaining that there had been a number of changes that were at odds with the spirit of the Sino-British joint declaration.

He said that it would be "most unfortunate" if reforms did not conform with China's own plans for the territory.

Diplomats in Hong Kong and Peking suggested that Mr Xu Jiatun's statement was almost certainly linked with the meeting of the Sino-British joint liaison group, which begins in Peking on Tuesday next week.

The joint liaison group has responsibility for tackling a wide range of sensitive issues linked with the transfer of power in 1997, and is intended to ensure a smooth transition from British to Chinese sovereignty.

Newspaper reports in Hong Kong claiming that China had been trying to put the issue of political reform on to the agenda of the joint liaison group were "inaccurate," officials in Hong Kong said.

Continued from Page 1

Murdoch

but to be under no obligation to do so.

Yesterday's concession by the NGA comes as Mr Robert Maxwell, publisher of Mirror Group Newspapers, is fighting to cut his total workforce by one-third, from 6,000 to 4,000. He has threatened to close his titles if he cannot obtain agreement.

Next spring Mr Eddy Shah, the newspaper entrepreneur, is due to launch a national daily newspaper with fully-computerised production and a total staff of about 800.

Mr Bill Booroff, NGA London regional secretary, said last night he had not been at yesterday's meeting with News International managers. However, he said: "Conceding the principle of direct-entry is a major move but it is now in the mainstream of NGA policy. This would, however, be the first time it had happened on a major paper printed in London."

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES			
Tres 11¾pc 200-04	£110⅛	+	⅜
Ashley Ind Trust	88	+	12
Assets Special Sits	71	+	18
BOC	324	+	12
Bairstow Eves	155	+	28
Baldwin (H. J.)	65	+	13
Beecham	313	+	10
Black Arrow	145	+	13
Bodycote Intl	177	+	7
Boots	255	+	18
Britannia Arrow	148	+	6
Brown (Matthews)	565	+	23
Carless Capel	122	+	12
Connells Est Agents	167	+	10
Empire Stores	162	+	12
ICI	734	+	14
Ladies Pride	29	+	4
Lonrho	192	+	9
MAI	385	+	20
Photax (London)	48	+	10
Plessey	142	+	8
Racal Elects	142	+	6
Rank Organisation	473	+	16
RHM	175	+	6
Sangers Photo	103	+	25
Scot & Newcastle	192	+	12
TSL Thermal Synd	218	+	22
United Biscuits	240	+	8
Wagon Finance	117	+	9
FALLS			
Burton	603	−	20

WORLDWIDE WEATHER

UK today: Generally cold. Rain or drizzle in England and Wales. N. Ireland and Scotland will stay dry.

		Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	C	7	45	Corfu	F	15	59	Luxmbg	Sn	−1	30	Peking		—	—
Algiers	F	15	59	Dallas		—	—	Madeira	C	20	68	Perth	C	20	68
Amsdm.	Sn	1	34	Dublin	C	5	41	Madrid		—	—	Prague	Sn	0	32
Athens	S	19	66	Dbrvnk.	S	17	63	Majorca	F	13	55	Rykjvk.	C	3	37
Bahrain	S	25	77	Ednbgh.	C	3	37	Malaga	S	15	59	Rhodes	R	21	70
Barcina.	S	9	48	Faro	C	15	59	Malta	S	17	63	Rio J'ot		—	—
Beirut		—	—	Florence	C	9	48	M'chstr.	R	5	41	Rome	C	14	57
Belfast	F	3	37	Frankft.	C	−2	28	Melbne.	F	18	64	Salzbrg.	F	0	32
Belgrd.	F	7	45	Geneva	C	0	32	Mx. C.†		—	—	S'ciscot	F	6	43
Berlin	Sn	−1	30	Gibrltr.	S	16	61	Miami†	S	24	75	Singapr.	F	31	88
Biarritz	C	8	46	Gl'sg'w	C	5	41	Milan	R	3	37	S'tiago†		—	—
Bmghm.	R	4	39	G'rnsey	F	8	46	Montrl.†	C	−3	27	Stckhm.	C	−1	30
Blackpl.	C	5	41	Helsinki	C	−3	27	Moscow	Sn	−9	16	Strasbg.	Sn	−1	30
Bombay	R	30	86	H. Kong	R	24	75	Munich	Sn	−2	27	Sydney		—	—
Bordx.	C	6	43	Innsbrk.	C	−2	28	Nairobi		—	—	Tangier	S	15	59
Boulgn.	C	5	41	Invrnss.	C	6	43	Naples	R	12	54	Tel Aviv		—	—
Bristol	C	5	41	I o Man	C	5	41	Nassau		—	—	Tenerife		—	—
Brussels	C	1	34	Istanbul	C	13	55	Nwcstl.	F	5	41	Tokyo	C	17	63
Budpst.	C	4	39	Jersey	C	8	46	N Delhi	S	26	79	T'r'nto†	Sn	0	32
Cairo	S	24	75	Jo'burg	F	27	81	N York†	R	4	39	Tunis	F	17	63
Cardiff	C	5	41	L. Plms.	F	22	72	Nice	R	7	45	Valencia	S	13	55
Cape T.	S	26	79	Lisbon	S	9	48	Nicosia	S	23	73	Venice	R	5	41
Chicg.†	Sn	1	34	Locarno	R	4	39	Oporto	S	13	55	Vienna	C	0	32
Cologne	C	1	34	London	C	5	41	Oslo	S	1	34	Warsaw	C	0	32
Cpnhgn.	C	3	37	L. Ang.†	C	12	54	Paris	C	1	34	Zurich	Sn	−2	28

C—Cloudy. D—Drizzle. F—Fair. Fg—Fog. H—Hail. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow. T—Thunder.
† Noon GMT temperatures

West German surpluses 'greater than required'

BY RUPERT CORNWELL IN BONN

A LEADING West German economic study group has admitted for the first time that the country's large trade and current account surpluses are far greater than required, and as such are no service to the cause of improved international economic balance.

But in its annual report issued yesterday, Bonn's council of independent economic advisers — the so-called "five wise men" — comes out firmly in support of the Government's dogged refusal to take any significant extra action to pump up domestic demand.

The group opposes a "more generous" expansion of money supply than the present target, as well as any real increase in public spending. Such measures, it argues, would do more to hurt West Germany's trading partners in the longer run than to help them.

"In all probability," they write, even if such a policy were successful in the short term, it would later lead to higher prices and higher interest rates. Were the D-mark to weaken, it would only damage the competitive position of other countries, and further threaten international trading harmony.

Even so, the views of the so-called "wise men" are bound to increase the embarrassment of the Government here, amid charges that it is not making its proper contribution to efforts to get world trade into better balance, and reduce the huge trade and current account deficits of the US.

Earlier this week Mr David Mulford, Assistant US Treasury Secretary, accused Bonn of not doing enough to bring down the value of the dollar.

Yesterday's report states that the overvalued US currency has been a key factor — though not the only one—behind the West German trade surplus, which the "wise men" expect to rise from this year's record DM 76bn (£20bn) to DM 83bn in 1986.

Admittedly this is less than the DM 100bn trade surplus (and DM 50bn current surplus) for next year predicted by the country's leading economic research institutes. But, yesterday's report points out, the DM 83bn still represents more than 4.5 per cent of West German gross domestic product.

But the "wise men" expect imports, at 6 per cent, to grow more rapidly than exports, likely to climb only 4.5 per cent next year.

Continued from Page 1

Heseltine

4,000 of its 10,500 workforce is on a state-subsidised lay off.

An original proposal by Agusta to try to raise £30m to rescue Westland was turned down by Efim, the state body which owns 91 per cent of the company.

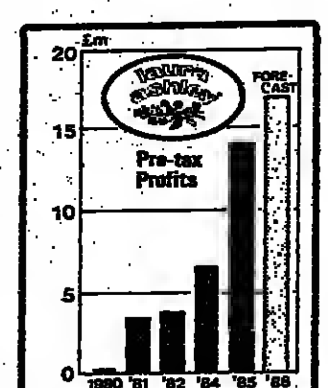
Politically, the issue is highly sensitive. Critics could argue that Agusta was spending the Government's money to save jobs in Britain while a third of its staff is laid off in Italy.

The Italian Government is exploring the possibility of finding a form which would make the purchase of an Italian stake in Westland more acceptable in political terms. In Britain it is being suggested that Mr Heseltine might be amenable to a solution — so far unspecified — which could involve European and US capital.

THE LEX COLUMN

A licence to print frocks

Index rose 13.8 to 1135.4



A fall in sterling interest rates is the latest idea to have captured the hearts and minds of the London equity market. Sterling's rise through the $1.45 resistance point, firm oil prices and declining short rates across the Atlantic certainly allow room for a half point cut. And the Government Broker's decision to wheel out £1bn of stock in the short market, where there is precious little demand, suggested either that the authorities had bungled or that a cut in rates was coming. The equity market liked the latter explanation; the gilts market was less sure.

Laura Ashley

For a stores sector that has seen some undistinguished departures this year, the arrival of such a fresh new entrant as Laura Ashley can only be a blessing—if rather a limited one. The Ashleys have been as stingy with the public as they have been generous with their employees, and the absolute minimum 23 per cent of the equity is on offer. Institutions and English Roses will also have to pay for the privilege of ownership: a multiple of 23 times some rather conservative 1988 earnings at 135p places Laura Ashley on the top shelf with the Habitats and Hepworths of this world. The historic multiple of sales is second only to Burton.

For this, investors will get a company that has grown at a compound rate of 48 per cent at the pre-tax level since a spot of bother in 1980. Alone of the stores sector except possibly Habitat/Mothercare, Laura Ashley has taken a clearly labelled design concept overseas; what looked once like a peculiarly English *Naturromantik* is packing them in in the US, where sales growth is well ahead of the 25 per cent group average. At that rate, Laura Ashley has only to follow Benetton and pepper the US with stores to prolong its growth record on maintained margins until the next capital constraint.

Yet the expansion into continental Europe, and notably France, has not been a success. There may be a small trading profit to show this year but only an optimist would expect margins up to more than half group level in the short term. Equally, Laura Ashley is highly geared to dollar movements against its sterling cost base. The poor 1980 result, with its 6 per cent return on sales, was as much a result of a weak dollar as of inexperienced overtrading.

Wales is not exactly the Veneto, but Benetton's financial advisers today may have some explaining to do to the business's founders. Benetton may not need the cash; but a rumoured multiple in the mid-teens no longer does justice to a business doubling its profits each year. One or the other is not quite right; and the betting in London is that Laura Ashley will go like a bomb.

Share options

In old-fashioned bull markets the rich got richer and company directors carried on drawing their salaries. All that has changed with the advent of the executive share option, which must by now have replaced the company car as the UK's most attractive corporate perk. According to a recent study by stockbrokers Hoare Govett, over 90 per cent of the country's top 145 public companies now have executive option schemes in place. At a rough guess, directors currently have options over unissued equity with an open market value of £3bn, more than one per cent of London's stock market capitalisation.

The presence of substantial share options has concentrated industrial minds most wonderfully during the current bull market and directors cannot now be blamed for cashing in a few chips. Last month directors and senior executives of Dee Corporation made a gross profit of more than £13m by exercising options and yesterday six executive directors of Burton Group followed suit, making roughly £3m before tax in the process. The options were almost all exercised at 46p a share and the new equity sold to the market at 600p. The sight of directors selling out not surprisingly unsettled the share price, which closed 20p lower at 603p. But Burton shareholders need not have worried. Three directors are apparently selling shares in order to buy houses near the office. The price of residential property on Oxford Circus should soar.

Mecca

As a way of rewarding directors, the leveraged buy-out looks even better than the share option. Yesterday Grand Metropolitan put an end to the market's suspense by announcing that it was indeed selling Mecca Leisure and Warner Holidays to their incumbent management for £95m. The four directors of the new company are paying £500,000 for what amounts to 10 per cent of an equity base which is valued at £40m. Such incentives are apparently common in buy-outs at the moment but, for a company which plans to be hitting the stock market next year, the rewards do seem rather to outweigh the risks.

Not that anyone is likely to begrudge the directors their good fortune. Grand Met is selling a non-core business at a premium of almost 50 per cent to tangible net worth and should as a result see its year-end net debt/equity ratio drop just below 50 per cent. The institutions, meanwhile, are receiving an opportunity to expand their portfolios in the fashionable leisure sector and on an earnings multiple well below that commanded by First Leisure and Pleasurama. Mecca's bingo halls and holiday centres (formerly known as holiday camps) are not exactly trend-setters in the leisure field but the company has been successful so far in directing new investment towards the growth areas.

Takeover moratorium

The prize for the most eccentric idea of the week goes to W. Greenwell, which suggested yesterday that a two-year moratorium should be imposed on takeovers of key UK financial services companies. Greenwell, which seemed happy enough to be taken over itself by Midland Bank, argues that being taken over would be an unwelcome distraction when so much real work has to be done before Big Bang.

This idea has interesting implications. If companies which specialise in advising other people on takeovers should themselves be immune from takeover, virtually any sector could argue for police protection. DCL, for example, should surely not be taken over at a time of such profound change in the whisky industry. Better still, DCL and Allied-Lyons and TI Group could form a consortium to buy an accepting house and then live happily ever after. Or at least until big bang.

هكذا من الأصل

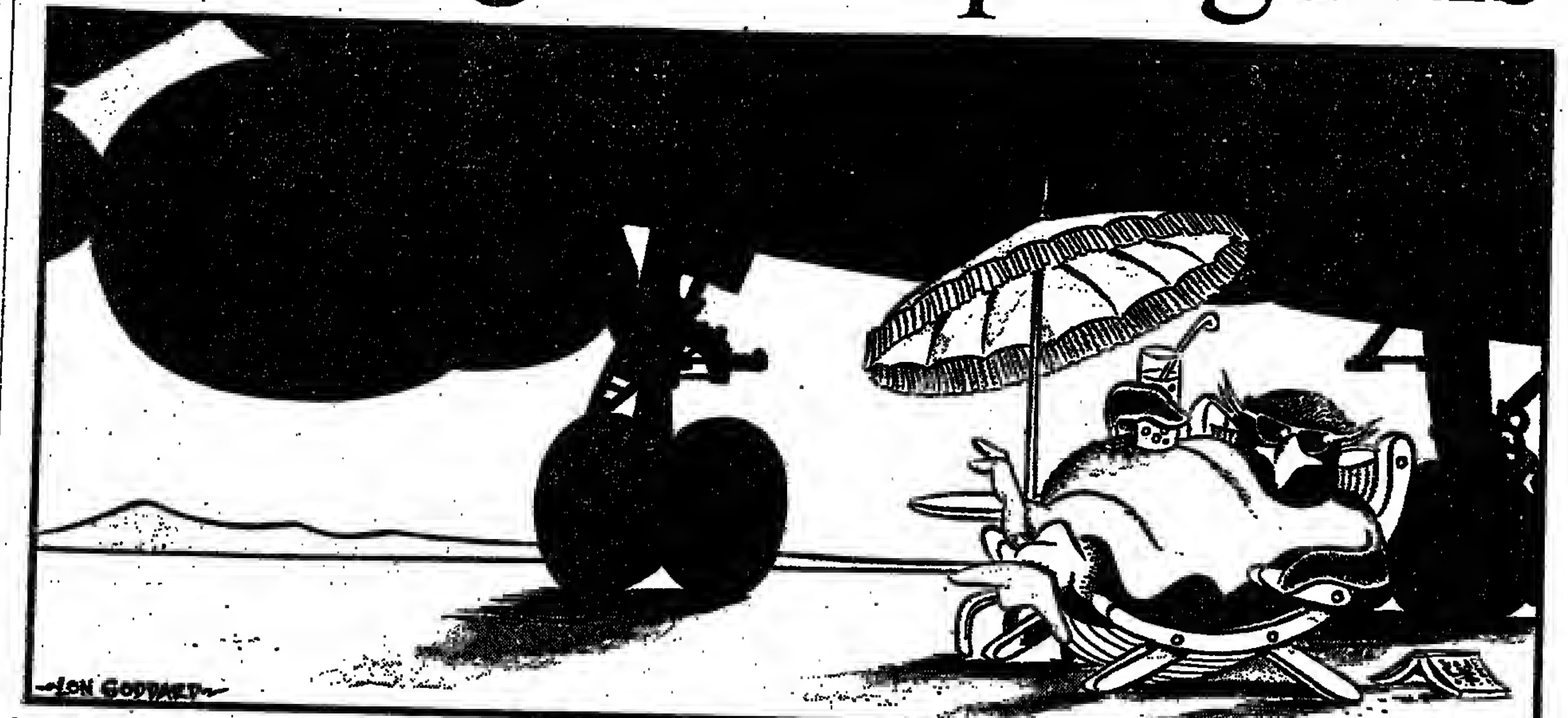
WEEKEND FT

Saturday November 23 1985

• MARKETS • FINANCE & THE FAMILY • PROPERTY • TRAVEL • MOTORING • DIVERSIONS • HOW TO SPEND IT • BOOKS • ARTS • TV •

Tourists are to be part of the economic future of the Falkland Islands. **Arthur Sandles** has been there to investigate the problems.

Packages to penguins



I SHOULD have guessed there was something different about this journey when the girl turned up with the two stuffed penguins. There we were on the platform at Paddington Station when a bright young thing from the public relations company emerged from the crowds with two beady-eyed beads poking from the top of a plastic carrier bag. "Just stand over there," she said. Click went the cameras. The British Rail man manoeuvred a poster into position: "Passengers for the Falklands should catch the 15.35 and change at Swindon." Click.

The Falkland Islands are moving into the next phase of the media game. Tourism and promotion. There was no disguising my own prescribed role in that game. To be whisked off to the South Atlantic and shown the touristic glories of the islands; to tell the world that there is more to the Falkland Islands than minefields, sheep and penguins; to be one more cog in the machine that is trying to make something of an economy Britain preferred to forget in an era before the Argies, and many in Britain would prefer to forget now.

Soon they are to start selling tours taking in the new lodges that are being built, lodges that will sit in some of the world's most remote and endearing islands, where penguins and seals, wild geese and tiny wrens scamper up to visitors. Fully inclusive package tours will cost upwards of £2,000 a time—assuming present arguments over the air fares can be settled.

At the moment the Falkland Islands have an image problem. The war (or if you deal in Foreign Office euphemisms, the conflict) took place in the early southern winter. The images that went around the world in that campaign are the ones that have stuck. It is as if the Western Isles were only known by their November climate. In the minds of European and US potential tourists, the Falkland Islands are a tiny gathering of inhospitable outcrops part bog, part rock and thick with penguins and sheep.

The facts are somewhat different. By UK standards the islands are, for a start, huge—five times larger in land area than Orkney and Shetland combined and almost as large as Essex, Suffolk and Norfolk together. It takes an hour or more to fly from Port Stanley to some of the islands. There are broad sweeping sandy bays, high cliffs, mountains, rolling hills and gentle brooks. I have fished for trout in the rivers and mullet in the inlets; reached for the sun cream on warm afternoons of horseback explorations; and lazed in the grass to be disturbed by an inquisitive penguin pecking at my walking boots.

Islands famous for their foul weather have less rainfall a year than Sussex and a lot less snow than Derbyshire. It may not usually be as warm as the Balearics but it is never as cold as New York.

Another aspect of the image difficulties is that much of the reporting is done still under military hospitality. By far the greatest proportion of the troops, navy personnel and airmen (and, recently, airwomen) who visit the islands see very little of them. For the average serviceman the time and money required for a flight to see rockhopper colonies or fur seal beaches is prohibitive. Their tales are of hard work and a lack of bright lights.

For the moment you board British Airways 747, on charter to the RAF. By next month it will be TriStars, bought from Pan Am and operated by the RAF. In a little under nine hours you are in Ascension, a volcanic outcrop with a breeze block transit lounge and expensive pre-stamped envelopes at the Naafi counter.

And so up again. It's daylight now and strong winds buffet us from time to time. The films roll on and on. And at last there are some grey shapes on the horizon. The islands are there.

No military secrets are revealed by saying that what is going on at Mount Pleasant Airport is astonishing. Here is no little air-strip to serve a small island community. Most British and European provincial airports are minnows compared with what is being built at Mount Pleasant.

All the locals I spoke to talked in wonder at the development but in perplexity at its size. No-one seems to know exactly what the UK Government has in mind for this southern outpost except that there is a total faith in that Government's determination to stay.

I met no resident, as opposed to contract Briton, who thought anything other than that the islands would remain British for as long as the UK had the physical power to hold them. "The one thing we do know," said one farmer, "is that Britain will never let us down. Look what happened when the Argies came—everyone rushed to help. They worked round the clock and there were no strikes."

From here, some "solutions" mooted in London take on a different perspective. It is not only the South Americans who might have objections to re-opening air routes. There is considerable local feeling about any links with the continent to the west, even if the economic benefits would be huge.

"I don't care what tourists you bring," said one hotel worker. "But don't expect me to be nice to the Argies." To everyone else, however, they seem willing to be extremely nice and—another image dispelled—commercially aware.

The Falkland Islands Development Corporation has a budget of some £30m from the UK Government which will be spent over a five-year period to put the kelpers and their community onto a more realistic base—although what precisely that is again no one seems certain. The money is being spent in three basic areas: agriculture and fisheries, light industry (but only that associated with the land and the sea), and tourism. Hand in hand with progress on these fronts will come a growth in population, both through immigration and a halting of emigration by making life on the islands more attractive to the bright and the young.

The difficulties are considerable. A community of less than 2,000 is simply not large enough to sustain many services. No-one in his right mind is going to set up as a chicken farmer or photographic processor with so few potential customers. As long as the islands' present isolation remains, with the only air and sea links via the UK, many export possibilities are out of the question.

At first glance it seems shocking that most of the millions of sheep carcasses that the Falklands farmers produce end up being dumped on remote islands to be eaten by birds—but what else can they do with them?

The military authorities refuse to sign any contracts which might provide a medium-term base for new concerns. Indeed, a plan for a dry cleaning operation, franchised from Sketchleys, has problems because the military suddenly said it would not give the new enterprise any custom.

The military and the civilian population are much less involved with each other than one might expect and, once away from Stanley and into "Camp" (any part of the islands outside Stanley) the only sign of Fortress Falkland is the occasional buzz of jet or helicopter and a view of warships on the water.

There are, of course, the usual oddities of service/civilian relationships. The military has a great deal of "waste" which the locals find perfectly serviceable. The services are wary of developing a local trade that could lead to military items falling off the back of a lorry so all military waste is further damaged, supposedly beyond use—Land Rovers have their lamps and radiators destroyed by sledge hammer, waterproof jackets are slit from collar to hem. Somehow the islanders rescue and repair them. "If there is one specialist business which every islander knows, it is how to keep a Land Rover on the road whatever its age and condition," they say.

I heard a story, first hand, from a host who had been told by his high ranking army dinner guest that the military never threw any usable food away—and meanwhile tucked into iceberg lettuce that had been liberated from the army dump that morning.

In the wake of the war and the updated Shackleton Report the Falkland Islands are moving fast, over and beyond the vast airport and its 35-mile link road with Stanley. Some of the larger estates are being broken up and sold off into smaller (if 25,000 acres is smaller) units. Small plots, of 50 acres, are being offered to entrepreneurs for light industry and specialist agriculture. One project, for example, aims to grow salad crops using hydroponic methods.

There are two major obstacles to such developments. The islands are actually short of labour and there is a desperate need for housing. "Some of the schemes that are suggested are just silly," says Simon Armstrong, general manager of the Falkland Islands Development Corporation. "We file them under 'loonies'." These include schemes that take advantage of a non-existent pool of low cost labour.

Housing seems at times an insoluble problem. The local Government has funds for soft mortgages, but these are not unlimited. The local bank, the Standard and Chartered, is praised for its efficiency but criticised for its unwillingness to lend long, or even medium term, against local security— thus no mortgages. Such is the confidence of the bank in the future that it is insisting on Government guarantees, which are not forthcoming.

There is a queue of Britons wanting to move to the Falklands but without housing such migration is out of the question. Instead, various schemes are being tried which are not necessarily labour intensive and which place any—housing demand in camp rather than in Stanley. Salmon farming is being tried, the cost of feed circumvented, the locals hope, with a scheme developed with the help of the Aquaculture Institute of the University of Stirling, that will use local mutton, mullet and krill to fatten the fish.

There is enormous pressure from the islanders for a 200-mile fishing limit around the islands. Well over 100 deep-sea fishing vessels have been seen in Falkland waters this year, ships from Poland, Japan, Russia and Cuba among them. Licensing these vessels would, it is said, produce £10-£15m a year for the islands. Officially, when it says anything, the Foreign Office suggests the cost of policing would be too high. Unofficially, the real problem is political. Imagine the furore if a Cuban ship, unlicensed, were arrested and then claimed to have a license from the Argentine Government.

Tourism provides a much more immediate prospect for revenue, even if communications are once more a major drawback. The bird and sea mammal life is astonishingly abundant in the Falkland summer months. In just a few days I have seen five types of penguins, king and rock cormorants, huge albatrasses, the darting red breasted meadowlark, black necked geese, red-backed hawks, striated caracaras, teal and wigeons, turkey vultures, the ubiquitous Upland Geese and. . . . well the list goes on. Dolphins leap in the bays, sea lions and elephant seals lounge on the beaches.

For the moment, and for the foreseeable future, you rely entirely on local hospitality to see these things. There are hotels in Stanley, the white painted Upland Goose and the less famous but wonderfully hospitable Malvina House among them, but elsewhere at the moment you stay in private farm houses. For the most part there are large, friendly and remarkably warm (heat, mainly from the abundant peat, is not a problem). You are ferried around by Land Rover over land which shows no sign of road. Between the islands you travel by the Islander Aircraft of FIGAS, the government-owned airline, or sometimes by Bristow helicopter.

By next summer (theirs, not ours) the additional lodge style accommodation will be appearing at Volunteer Point on East Falkland, and possibly on New Island, on the western edge of West Falkland and perhaps the most scenic of the islands. At Port Howard, a little settlement in the fold of the hills that, with its pretty flowering hedges and neat fields with dairy cattle around the painted houses looks at first glance like a Devon hamlet; and on Pebble Island old farm houses are being converted to hold visitors.

There is considerable local alarm at the prospect of a tourist "invasion." Few people locally seemed very keen on the cruise ships that come in from time to time, particularly when they visit small islands with sensitive bird colonies on them. Heavy tourist traffic could be extremely destructive. A tourist that provokes a nest bird into flight (or, in the case of penguins, into scamper) simply allows the cruising skuas to move in and take the eggs.

At the levels presently envisaged by the FIDC, which is being advised by the English Tourist Board, the traffic should be fairly light—perhaps 2,000-3,000 people a year. There is no question that the cost of the trips is well out of line with rival offerings. Two weeks in Bird Island on the Seychelles, a trip just about the same distance as Falkland, can be bought for £1,400 in peak season, which is about the going rate for a wild life trip to South America and rather more than many safaris in Africa.

The big problem is the flight. The Royal Air Force is not a commercial organisation and is not open to much discussion on tour operator discounts. It is therefore charging tour companies more for a return flight to Falkland Island than it costs to fly round the world on some airlines. The situation would be transformed by the introduction of flights from Santiago (Chile) or, of course, anywhere in Argentina.

For the moment, however, that seems unlikely. So, is it worth it? On my way down, infected by the pre-publicity and in the company of those army and air-force personnel for whom it was near banishment, I doubted it. When the time came to leave, however, my mind had been changed. Perhaps, after all, like the penguins, just a few of us will migrate to the Falklands in October.

The Long View

Even experts are sometimes right

When every active investor tells you to keep your nerve and ignore the experts, it is time to think very hard about whether they may be right, says Anthony Harris

WHEN EVERYONE says the market is too high, it can only go up. So runs the standard contrarian paradox, as discussed in this column a few weeks ago. It is based on the simple idea that all known views are already discounted in market prices, so that the only news that will actually surprise investors is good news; and it suggests that meanwhile, prices are moving up against expert advice because of some factor which the experts have not yet recognised. People who think like this are making a lot of money at the moment.

Investors cannot, of course, afford to despise any doctrine which leads to large profits, as contrarianism often has—the dollar contrarians, for example, had a wonderful ride for some three years, before the central bankers decided to force the market to show a proper respect for expert opinion. All the same, it is sometimes spectacularly wrong. When the universal expert opinion that London equities were badly oversold in 1974 was finally proved right, the index rose vertically for six weeks, and doubled before it was possible to find any serious sellers.

What is more—and what I have yet to see any contrarian confess—the doctrine is actually bound to go wrong from time to time, on its own logic. This must happen whenever contrarian thinking becomes orthodox; because once it is orthodox it is *itself* discounted in market prices, and cannot offer any guide to their future movement.

Times like this, then, call for what I will christen the counter-contrarian strategy. When every active investor tells you you must keep your nerve and ignore the experts, it is time to think very hard about whether the experts may not after all be right. This is bad news for lazy thinkers, because it means working through the fundamentals. In what follows, I will try to suggest some of the question that must always be addressed before you can form a market view based on the fundamentals; you must fill in your own answers according to taste.

The first question is about the past. What was it that the experts failed to understand when they failed to forecast the latest bull or bear market, and do we know any better now? In 1974, you may remember, this factor—we might christen it the hindsight factor—proved to be the impact of inflation on historic-cost profits. Because that was only dimly understood, the importance of Mr Denis Healey's stock relief scheme took more than two months to sink in. It was those who were ahead of the game in fundamental analysis who were the winners in 1975.

The experts got the dollar wrong because they failed to understand that in a world dominated by capital movements, a country which is borrowing heavily from overseas will tend to have an overvalued currency; this is now the conventional wisdom.

More recently, though, a second theory has gained more ground: that Mr Paul Volcker really caused the whole convulsion by imposing a monetary policy which was so tight that it created an international dollar shortage. Forget the money numbers; look at the exchange rate and the level of real interest rates, and it looks like sense.

This is important at the moment not so much for the light is casts on the dollar as for what it says about equities. The general consensus at the moment is that the main force driving up equities is easy money. The Americans have relaxed because they are worried about debt and the over-valued dollar. We have stopped trying to control the broadly-defined money supply because the efforts to control it didn't work. Easy money makes bull markets, as your grandfather could tell you.

Will it last though? Some monetarist stockbrokers have for some time been warning us that we saw it all before in the early 1970s, and it will all end in tears. Others, though, argue that the money numbers are little guide to the inflationary risk at a time when the whole nature of banking is changing; as long as real interest rates are high, and commodity prices are falling, policy is still more than tight enough, whatever the numbers say. In that case, the markets may also be enjoying an overdue long term correction.

Assuming that this second analysis is right, as I am inclined to think it will be once the speculative froth has settled, you must still make a judgment of the market itself. Once a strong upward movement is esablished it is bound to gather a momentum of its own, and will always overshoot before it finds its new, relatively stable level. This brings us to the old fundamentals — risk and return. Here we can use the old economists' trick ("Let us assume a tin opener," as the joke has it) and start by ignoring risk.

The benchmark here is clearly the return on indexed gilts, which is a risk-free return you can buy today. It stands at about 3¼ per cent. The return on indexed stock rises with inflation. The income on equities, in a stable, risk-free world, would rise faster — inflation plus the rate of economic growth (in other words, a constant share of rising income). In a risk-free world, then, equities would yield less than indexed gilts — an echo of the reverse yield gap which first appeared a generation ago, when there was not much wory about inflation, but it was thought that Keynesian management and large corporations had largely abolished risk.

Very well then; if you believe that the monetary steam will not be cut off, so that the long-term market correction will be allowed to stick, the question about the market reduces to one fundamental: is the risk premium now available, in the fact that equities yield half a point or so more than indexed gilts, adequate? Here the chartists cannot help you at all, and the experts only a little. Assessing the threat of imprudent lending, political change, the oil run-down, and the rest is partly subjective. Personally, I tend to be cautious. Perhaps that is why I'm not rich.

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Caution intrudes as the good times keep rolling

London

THE MARKET continues to roar ahead with the FT 30-Share gliding effortlessly past 1,100 on Wednesday and the All-Share Index sitting very close to 700 last night. With the throttle apparently jammed wide open it may seem a little perverse to talk about a reversal but while most analysts feel reasonably complacent *about* the market on a one year view the morning post still contains more notes of caution than optimism for the immediate future.

Given the indifferent market of the first nine months of the year, few fund managers with an eye on their performance tables are going to foresake the market when it is running so strongly. So equities are being pushed along by good old weight of money and even with the Cable and Wireless sale and rights issue coming next month, raising around £900m, there is little evidence of institutional liquidity becoming a problem.

Nevertheless on fundamentals the market looks dear. Ratings are at their highest level since the bull market of 13 years ago and prospects for corporate profitability next year are not the stuff to fuel a continued rise in share prices. Profits, overall, are unlikely to grow by much more than 10 per cent.

Fears that there might be a short term setback around the corner are unlikely to rattle fund managers sitting on billions to invest somewhere but other investors who can take a more aggressive view to their trading could well be tempted to take some profits — even if it does mean leaving a little bit for the next man.

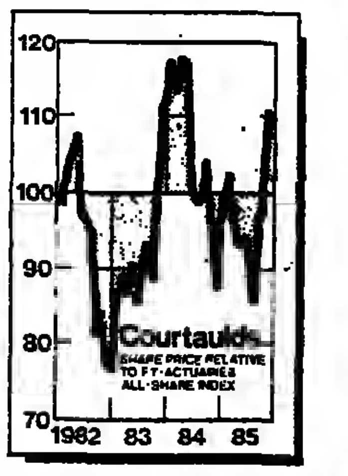
Over in the drinks sector things are hyper-active. Elders IXL has popped out its offer document in support of 255p a share bid for Allied-Lyons. Scottish & Newcastle relaunched a bid for Matthew Brown, this time worth £125m, following Monopolies Commission clearance. Distillers announced some amazingly buoyant figures and Whitbread's interim profits proved to be a tonic for the whole sector.

The Elders offer is a non-starter at this level and may be just a shot to test the reaction of the Monopolies Commission though on grounds of competition it is hard to develop a case for reference. S&N's bid is a different brew altogether, designed to be a knockout punch and already declared final with an option for a rethink if another bidder materialises—a remote but not impossible eventuality given that the Commission appears to rule the other regionals out of bounds for predatory national brewers.

S&N is offering 16 of its shares for every five Brown with a cash alternative of 540p. It seems a more than fair price on an exit multiple of 26 times historic earnings and almost twice book worth. Before S&N's first bid last March Brown's market capitalisation was £73m. If the offer looks generous on earnings grounds S&N obviously has an eye on the assets—the price values each Brown pub at around £200,000 a go, throwing in the breweries for nothing. That compares with £300,000 to build a new pub.

Though it is questionable whether S&N can make sufficient return on Brown's assets to justify the purchase. Its half time figures, which came out with the bid, showed a 15 per cent *increase* in *profits* to £43m which is a fair performance given the poor summer, but assuming the full year comes out at £75m that is still no more than a 12 per cent net return on equity.

Anyway the bidder is not yet



assured of success even though it has amassed a stake of over 26 per cent. Brown's board is resisting and both Whitbread Investment Trust and Britannic Assurance with over 9 per cent of the equity apiece have have declared their opposition to S & N. Small shareholders might decide that it is time to sell in the market rather than run the risk of the bid being beached.

There is, of course, no bid on the table for Distillers as yet but James Culliver's Argyll Group may well wade into battle after December 2 when it will be freed from the Takeover Panel's ruling to delay. And there is nothing like the threat of a bid to concentrate management's mind, so the market was well primed for some sparkling figures from the whisky group this week.

Interim profits came out 54 per cent higher at £124.3m pre-tax and the dividend was lifted by 1p to 5.5p per share. The figures were expected to be good, with or without Argyll breathing down Distillers' neck, but such an increase immediately drew a cynical response in the City.

Indeed there were a number of exceptional factors which boosted the first half growth rate. The comparable period was restricted by a dock strike that *pushed shipments into* the closing part of the year. Also the first quarter should have been particularly buoyant with orders ahead of price increases and again in September sales to the US market would have been stepped up ahead of a 5 per cent increase in the *dollar* price and the increase in US Federal Excise Tax from October 1.

Distillers also declared that it is joining the swelling ranks of companies able to take a pensions holiday while a change of accounting procedures manages to mist the figures.

So while the reported numbers look impressive the underlying growth rate is probably fairly nominal although the statement accompanying the figures was disparingly thin on clues to what the real trends are. No doubt Distillers could work its way towards £280m pre-tax this year, and perhaps more, though it could take more than one year of good profits to redress the group's image in the City. If Mr Gulliver — or someone else such as Seagrams — is determined, Distillers' days as an independent company may be drawing to a close.

Courtalds was able to join in the market's party with a record share price in the wake of its interim figures. Since the recovery in the year to March 1984, when pre-tax profits virtually doubled, the City has taken the view that Courtaulds could hardly believe in its own success. And if the directors seemed nervous about their ability to keep profits moving forward the market was not going to stick its neck out.

It is true that profits climbed by £10m last year but if acquisitions and currency gains are stripped free there was not much in the way of real growth. So the interim figures were approached with caution. It was, however, a very different Courtaulds that addressed its shareholders this week. Profits have only increased by 11 per cent to £60.3m but that is against a background of currencies moving against the group.

Far from being at the top of the cycle, the analysts are now suggesting that profits could rise to £140m this year and that Courtaulds is a reformed company with new-found stability. If the view is right a prospective p/e of under 7 looks far too low and the price could soon break through 200p.

Terry Garrett

INDEX RISE SINCE JULY 25 1985

The following table lists the changes in the Ordinary index and its constituents since July 23 to date. The FT-SE 100 index is also shown.

	Price y'day	Change since 25.7.85	1985 High	1985 Low
FT Ord. Index	1,135.4	+224.4	1,135.4	911.0
ASDA-MFI	142	+ 8	166	130
Allied-Lyons	292	+74	295	153
BICC	240	+50	270	185
BOC Group	324	+61	324	248
BTR	396	+93	397	295
Beecham Group	313	− 2	390	283
Blue Circle Inds.	593	+63	603	468
Boots	255	+76	255	162
Brit. Petroleum	605	+95	605	473
Brit. Telecom	*244	+25	247	183½
Cadb'y Schwps.	147	+ 2	176	131
Courtaulds	183	+60	185	122
Distillers	495	+225	503	270
General Electric	186	+18	220	150
Glaxo	£15½	+ 3½	£15½	£10½
Grand Met.	396	+101	405	277
GKN	274	+ 70	274	190
Hanson Trust	224	+ 36	232½	177
Hwkr. Siddeley	447	+ 84	456	360
ICI	734	+ 74	880	630
Imperial Group	218	+ 48	220	162
Lucas Indnsts.	470	+182	478	246
Mks. & Spencer	190	+ 51	192	115
NatWest. Bank	718	+ 40	720	568
P & O	433	+ 75	440	304
Plessey	142	+ 4	212	116
Tate & Lyle	540	+ 87	548	417
Thorn EMI	419	+100	484	300
Trusthse. Forte	162	+ 42	162	119
Vickers	315	+ 73	342	212
FT-SE 100 Ind.	1,451.0	+229.3	1,451.0	1,206.1

* Assumed fully-paid price.

Realism amid the euphoria

USM
UNLISTED SECURITIES MARKET

THE celebrations marking the fifth anniversary of the creation of the Unlisted Securities Market have brought a crop of claims about its successes that have at times verged on the euphoric.

Perhaps it is no coincidence to find that some of the most favourable comments have come from those involved in one way or another with the market's operation. It is interesting, then, to see the publication this week of an independent point of view, particularly since it takes into account the investor's side of the story as well as that of the companies which have been floated successfully.

The USM was created not with the principal object of making investors rich but to provide small and medium sized businesses with a market for their securities and, hence, easier access to capital. It could, nevertheless, hardly hope to succeed without holding out the prospect of reasonable returns for its backers.

Any considered analysis of the USM has to deal with the fact that, from the investor's point of view, its performance so far seems to have left something to be desired, both in absolute terms and in relation to the main market. The USM Index stood at only 107.2 on the market's fifth anniversary; and the market relative index, which measures the performance of the USM Index against the FT-Actuaries All-Share, was down from 100 to 48.

The reasons for the USM's under-performance are analysed in some detail in Going Public, a study of the USM and over-the-counter markets by Graham Bannock, issued by The Economist Publications.

Like other observers, Bannock finds that a major influence on the USM has been its susceptibility to the poor performance of two sectors to which it has been particularly heavily weighted: oils and electronics. If the FT-Actuaries All-Share index is reorientated to reflect the USM Index's sector weighting, he says, the discrepancy between the two diminishes.

Bannock goes on to cite two other factors: that many of the USM's best performers move on to the main market; and that the performance of the main market recently has reflected a period of exceptional profitability for Britain's bigger companies. But he says the most important factor is that in the early days of the USM, when p/e ratios were high, new issues tended to go to a larger premium when dealings began. Nowadays, he finds that the average premium over issue price is quite small once the initial flurry has died down.

"This movement towards greater realism—also reflected in declining p/e ratios—is probably the main explanation for the disappointing performance of the USM index," he concludes. This is not a startlingly original observation, but it is refreshing to find someone daring to utter the words "disappointing" and "USM" in the same breath.

Not that Bannock is dismissing the market as a flop; in the long run, he says, USM stocks *(if not the USM index)* ought to perform much better than the main market. Sadly, he does not elaborate on this apparent paradox.

Bannock says in his introduction that there is as yet no book on the USM and OTC markets, and his 89-page study is a welcome attempt to fill the gap. It contains a great deal of background information and has much of interest to say on other countries' experience of second tier markets and on the outlook for Britain's.

The other notable publication of the week is the third edition of Hoare Govett's annual Unlisted Securities Market Directory. With this tome, we veer back towards enthusiastic approbation of the market; but this in no way detracts from the usefulness of a work which verges on the indispensable for any serious USM followers.

The 131-page volume contains the vital statistics and a pen portrait of every company quoted on the USM, together with six information-packed appendices. It also contains an authoritative introduction which sums up developments since the last edition; and gives an overview of the market, which succeeds in covering much of the ground trodden in Bannock's report in a tenth of the space.

There are several interesting insights, one of them being the debunking of the popular myth about the USM millionaires. As Hoare Govett points out, the millions are almost always in the form of shares and are usually unrealisable, since any attempt at a divestment would severely unsettle the price — even in the unlikely event that th market could take such a large amount of stock. Gentlemen.

● *Going Public: A Report on the Markets in Unlisted Securities; The Economist Publications, 40 Duke Street, London W1A 1DW; £95.*

● *Unlisted Securities Market Directory: Hoare Govett, Heron House, 319-325 High Holborn, London WC1V 7PB; £25.*

Richard Tomkins

The Royal banks on expansion

ROYAL BANK OF SCOTLAND'S invasion of England is now well underway. From the end of September subsidiary Williams & Glyn's with 330 branches lost its separate identity and Royal's insignia can now be seen in many high streets south of the border.

When Royal announces results for the year to September 30 on Thursday, analysts are expecting £165m pre-tax profits, against £131m in 1983-84.

Mr Charles Winter, the group chief executive, said recently that Royal saw itself as the "fifth force" in British banking, ranking after the four London clearers. He may have further details to give of the bank's expansion plans.

Further elaboration could also be made of the role to be played by merchant bankers Charterhouse Japhet, acquired for £152m in January and contributing for the first time in the *closing half. Last month Royal* merged Charterhouse with its other merchant banking subsidiary, National Commercial and Glyn's to form Charterhouse Development.

Although Royal has a low exposure to Latin American debt, failures among smaller mining companies and casualties from the shipping recession should see the bank's bad debt provisions rising to over £50m—against £38.5m last year.

The market was warned to expect poor interim results from ROTHMANS INTERNATIONAL by the group's chairman in his gloomy statement to the AGM. So City profit expectations for the six months to September have been trimmed to £65m pre-tax, compared with £84.4m in the same period of 1984.

The group's European tobacco interests have not performed strongly. Martin Brinkman, Germany's fifth largest cigarette maker, has been recovering slowly from last year's expensive rationalisation scheme. Recent price rises will have helped margins and manufacturers' receipts, however.

In the UK, Rothmans has been losing share in a shrinking market. The 430 redundancies announced in September, follow the closure of the Basildon plant last year. Both are part of a major rationalisation programme which will prove expensive in the short term.

However, results recently announced from Canada were not as bad as once feared. Carling

Results due next week

O'Keefe, the brewing subsidiary, should contribute £6m (down from the £24.5m in the same period of 1984 but an improvement on the loss of £15.2m in the second half of last year) and have seen the worst of the write-offs behind it.

The bright side for Rothmans continues to be luxury goods. Dunhill Holdings, in which it has a 50.6 per cent stake, should contribute £7m — up from £5.98m. Associate Cartier has also been singled out for praise.

Overall associates, led in growth terms by Malaysia, should contribute £24m (£26.9m) with only the weak Australian dollar holding back a more dramatic rise.

REDLAND should have made £50m pre-tax profits in its first half to be reported on Thursday, against £48.7m last year.

The City will be eager for news on the situation in West Germany, where declining housing starts could be depressing the Braas subsidiary, and on the outlook for margins in the group's UK concrete roof tile business.

In the UK, building materials-related activities should be improving, thanks primarily to the strength of aggregates. Output is forecast as rising for both aggregates and bricks. The former spurred by some important road contracts and the latter by the steady growth in demands for higher-quality bricks.

The falling volume of brick tile sales in the UK should be made up for by the rise in prices and the coming on stream of the new Swatham works. Acquisitions should also boost profits in this sector.

Overseas, other than in Germany, the most important Redland interests are in the US and Australia. In Australia, associate Monier is performing strongly although, given the weakness of the dollar, local gains will be hard put to overcome the translation effect. Redland Worth in the US will have benefited from the increased Federal spending on roads.

UNIGATE has its doubters but the sale of Bowyer has eliminated a loss maker and the much talked of milk war has not taken place. Pre-tax profits for the six months to September may turn out just a shade short of £30m, against £25.9m last time.

The virtues of the milk and meat mix are not sung by all and Mr John Clements, chairman and chief executive, is keen to point to the soundness of the group's acquisition of J. P. Wood, just when the poultry business appears to be picking up again. There could also be some news on whether Mr Clements intends to go on running the group himself or if a new managing director is to be appointed soon.

Over this year as a whole growth of 13 per cent is being looked for — mainly coming from the non-milk area as dairy profits have been static for some time and now contribute just under half of the group's total profits.

Profits from Wincanton, contract vehicle hire and sales, should be rising again after a dull 1984-85. Giltspur's transport business is improving and the other parts of this subsidiary have shown fairly steady growth.

Overseas, Unigate International has a question mark on its US performance due to the low rise in dollar terms in 1984-85. A stronger pound could eliminate such modest growth if it was repeated.

MEPC brought in some satisfactory figures at the interim stage with pre-tax profits up from £21.8m to £24.7m, but there is a degree of nervousness over what shifts in exchange rates might have done to figures for the year to September, due out on Wednesday.

The revenue account is likely to show good income growth and pre-tax profits are expected to have risen from £45.1m to £51m, but currencies — and the Australian dollar in particular — are likely to have taken their toll of the net asset value.

The major event of MEPC's year was the acquisition of the English Property Company for £112.6m in July, the purchase price of which was met partly through a cash payment of £30m and partly through a vendor placing of 33m shares at 250p. The immediate effect was to realign MEPC's portfolio back towards the UK, but the transaction came too late in the year to have any significant impact other than to bring about a 12p dilution of the net asset value. This combined with currency translation effects is thought to have more than offset the benefits arising from an external valuation, and the City expects net asset value to drop from last year's 426p to 420p.

Company	Announcement due	Dividend (p)* Last year Int.	Last year Final	This year Int.
FINAL DIVIDENDS				
British Empire Sec.	Monday	0.2	0.7	0.2
Carrdl Ind.	Monday	2.7	3.7	2.8
Circaprint	Friday	—	0.7	—
Davenports Brewery	Thursday	3.6	5.4	3.6
Dubilier	Wednesday	1.0	1.4	1.1
Royal Bank of Scotland	Thursday	3.3	5.2	3.6
Scottish Investment Trust	Thursday	1.7	3.47	2.0
INTERIM DIVIDENDS				
Arbuthnot Government Secs.	Friday	2.75	2.75	
Bassett Foods	Tuesday	1.65	5.04	
Bulgin, A. F.	Wednesday	0.58	—	
Century Oils Group	Thursday	1.0	2.5	
Chamberlin and Hill	Friday	1.4	2.1	
Country Gentlemen's Association	Thursday	11.0	11.825	
Crown House	Tuesday	2.75	4.25	
Dunhill Holdings	Monday	1.5	2.3	
Erskine House	Friday	0.6	1.0	
Fashion and General Inv.	Tuesday	6.0	9.9	
Freshbake Foods Group	Wednesday	0.6	1.1	
Johnson Matthey	Wednesday	7.0	—	
Kitchen Robert Taylor	Tuesday	8.0	5.5	
Klean-e-ze Holdings	Friday	1.0	4.0	
Marshalls Halifax	Monday	1.0	3.5	
Murray Growth Trust	Tuesday	1.0	0.4	
Pacific Investment Trust	Thursday	—	0.35	
Penny and Giles Int	Thursday	—	1.35	
Sarasota Technology	Friday	0.7	1.61	
Scottish and Mercantile Inv.	Friday	3.5	10.5	
Stirling Group	Monday	0.4	0.65	
T.R. Technology Inv. Trust	Monday	0.5	1.22	

* Dividends are shown net pence per share and are adjusted for any intervening scrip issue.

INTEREST RATES: WHAT YOU GET FOR YOUR MONEY

	Quoted rate %	Compounded return for taxpayers at 30%	45%	60%	Frequency of payment	Tax (see notes)	Amount invested £	Withdrawals (days)
CLEARING BANK*								
Deposit account	5.75	5.83	4.58	3.33	half yearly	1	—	0-7
High interest cheque	8.25	8.51	6.69	4.86	quarterly	1	2,500 minimum	0
3-month term	7.81	8.04	6.32	4.59	quarterly	1	2,500-25,000	90
BUILDING SOCIETY†								
Ordinary share	7.00	7.12	5.60	4.07	half yearly	1	1-250,000	0
High interest access	8.75	8.75	6.88	5.00	yearly	1	500 minimum	0
90 day	9.50	9.73	7.64	5.56	half yearly	1	500 minimum	90
Premium	9.40	9.74	7.65	5.56	quarterly	1	10,000 minimum	90
NATIONAL SAVINGS								
Investment account	11.50	8.05	6.33	4.60	yearly	2	5-50,000	30
Income bonds	12.00	8.88	6.97	5.07	monthly	2	2,000-50,000	90
31st issue‡	7.85	7.85	7.85	7.85	not applicable	3	25-5,000	8
Yearly plan	8.19	8.19	8.19	8.19	not applicable	3	20-200/month	14
General extension	8.52	8.52	8.52	8.52	yearly	3	—	8
MONEY MARKET ACCOUNTS								
Money Market Trust	8.67	8.86	6.96	5.06	half yearly	1	2,500 minimum	0
Schroder Wagg	8.22	8.54	6.71	4.88	monthly	1	2,500 minimum	0
Provincial Trust	8.78	9.14	7.18	5.22	monthly	1	1,000 minimum	0
BRITISH GOVERNMENT STOCKS§								
7.75% Treasury 1985-88	10.63	7.97	6.52	5.09	half yearly	4	—	0
10% Treasury 1990	10.72	7.75	6.14	4.55	half yearly	4	—	0
10.25% Exchequer 1995	10.80	7.61	5.95	4.28	half yearly	4	—	0
3% Treasury 1987	8.85	7.81	7.20	6.59	half yearly	4	—	0
3% Treasury 1989	8.42	7.55	7.03	6.50	half yearly	4	—	0
Index-linked 1988¶	9.50	8.89	8.55	8.22	half yearly	2/4	—	0

* Lloyd's Bank. † Halifax. ‡ Held for five years. § Source: Phillips and Drew. ¶ Assumes 5 per cent inflation rate. 1 Paid after deduction of composite rate tax, credited as net of basic rate tax. 2 Paid gross. 3 Tax free. 4 Dividends paid after deduction of basic rate tax.

COMPANY NEWS SUMMARY

TAKE-OVER BIDS AND DEALS

Company bid for	Value of bid per share**	Market price**	Price before bid	Value of bid £m's**	Bidder
	Prices in pence unless otherwise indicated.				
Abbey	97§§	114	90	18.86	French Kier
Allied-Lyons	255*	292	275	1.724bn	Elder IXL
Arlington Motor¶	234*	225	167††	10.50	Unigate
Britannia Arrow	135§	148	131	200.04	Guinness Peat
Brook St Bureau	184	170	162	19.02	Blue Arrow
Brown (Matthew)	614§	563	540	138.64	Scot & Newcastle
Clay (Richard)	211	208	164	18.96	St Ives
Cole Group	260*	295	240	7.83	Low & Bonar
Dew (George)	102§§	108	92	8.16	Bremner
Drayton Prem Inv	500*	520	446	153.52	NCB Pensn Fund
Dufay Bitumastic	57§§	56	56	9.37	British Tar Prods
Dufay Bitumastic	50½	56	47	8.30	Kalon Group
French Kier	236	256	224	116.21	Beazer (C. H.)
Maynards	387	420	335	18.95	Ward White
Owen Owen	497§ §§	503	490	47.59	Ward White
Pearce (C. H.)	694§§	675	725	26.19	Crest Nicholson
Pyke (Hldgs)	403	390	348	15.63	Hillsdown Hldgs
Sangers Photo	40½§	103	39	3.04	Mr J. Peace
Security Centres¶	133§	144	100	21.17	Automated Security
SGB Group	276	257	226	116.91	BET
Somportex	28½*§	168	27	0.79	Messrs N. Wray & C. Mattock
Spear & Jackson	240	254	168	13.50	Neill (James)
Sparrow (G. W.)	73½	78	48	7.26	BET
Stewart Plastics	150	152	112	34.10	Bunzl
Suoleigh Elect	7½	7	7½††	1.72	Godwin Warren
Telefusion¶	53½§§	50	34	26.11	Electronic Rents
Towngrade Secs	32½*§	37	37	1.67	Milbank Dev
United Parcels	156	154	113	99.01	Bunzl
Walker & Homer	22	20	16½	2.94	Hillsdown
Wingate Prop Inv	129½	125	105	17.85	Trafford Park Ests

* All cash offer. † Cash alternative. ‡ Partial bid. § For capital not already held. ¶ Unconditional. ** Based on November 22 1985. †† At suspension. §§ Shares and cash. ¶¶ Related to NAV to be determined. ||| Loan stock. ‡‡ Suspended.

PRELIMINARY RESULTS

Company	Year to	Pre-tax profit (£000)		Earnings* per share (p)		Dividends* per share (p)	
Barton Trans	Sept	308	(393)	40.5	(58.3)	18.0	(16.0)
Bellway	July	3,260	(4,040)	11.0	(14.9)	7.0	(7.0)
Burton Group	Aug	80,200	(56,410)	29.1	(21.1)	8.8	(6.5)
Bush Radio	Aug	1,160	(833)	7.4	(5.3)	1.2	(0.14)
Concentric	Sept	2,350	(1,620)	7.45	(6.36)	3.7	(3.48)
Cosalt	Sept	1,050	(539)	8.62	(1.98)	2.75	(0.75)
CPU	July	247L	(1,916)	—	(8.3)	—	(—)
Diploma	Sept	15,500	(16,300)	15.9	(15.3)	5.25	(5.0)
Pineapple Dance	July	214L	(209)	—	(3.78)	—	(1.5)
Ratcliffe F. S.	April	103L	(580)L	—	(—)	—	(—)
Spectrum	June	2,500L	(1,830)	—	(10.0)	—	(—)
United Spring	Sept	625	(275)	3.85	(2.21)	1.5	(—)

INTERIM STATEMENTS

Company	Half-year to	Pre-tax profit (£000)		Interim dividends* per share (p)	
Acsis Jewellery	July	348L	(160)L	—	(—)
Aitken Hume	Sept	743	(3,080)	2.25	(2.25)
Alen	Sept	2	(149)L	—	(—)
Assoc British Eng	Sept	270	(915)L	—	(—)
Bardon Hill	Sept	2,300	(1,980)	0.9	(0.82)
Barker & Dobson	June	7,500L	(20)	—	(0.1)
Black Arrow	Sept	736	(590)	1.75	(1.5)
Boots	Sept	84,900	(79,900)	2.5	(2.2)
British Tar Prod	Sept	1,910	(1,410)	1.5	(1.2)
Brown N.	Aug	1,910	(1,440)	3.75	(3.0)
Bulmer & Lumb	Oct	240	(528)	1.65	(1.65)
Cable & Wireless	Sept	136,000	(109,000)	3.5	(2.9)
CML Microsystms	Sept	678	(701)	—	(—)
Coloroll Group	Sept	2,390	(1,410)	2.0	(—)
Courtaulds	Sept	60,300	(54,300)	1.75	(1.4)
Delyn Pack	Aug	70L	(35)	—	(—)
Distillers	June	124,300	(80,500)	5.5	(4.5)
Elliott B.	Sept	730L	(167)	1.0	(0.1)
EMAP‡	Oct	4,240	(3,090)	1.2	(0.92)
Ests & Agncy Hgs	June	96	(258)	—	(3.0)
Extel	Sept	5,020	(5,240)	2.0	(1.5)
Hanover Inv Hdgs	June	401	(327)	1.1	(1.0)
Hartwells	June	2,720	(2,520)	0.88	(0.72)
Hat	Aug	4,450	(4,330)	1.9	(1.8)
Heath C. E.	Sept	16,140	(13,700)	7.0	(6.0)
Hwrd & Wyndham	June	94L	(14)	—	(—)
Hunter Saphir‡	Sept	1,200	(903)	0.85	(0.7)
Ivory & Sime	Oct	1,320	(1,000)	1.0	(—)
Locker Thomas	Sept	934	(1,050)	0.38	(0.38)
London Int	Sept	10,490	(7,880)	1.5	(1.3)
Lond & Midland	Sept	4,020	(3,720)	4.7	(4.25)
Metal Box	Sept	31,200	(31,700)	6.1	(6.1)
MK Electric	Sept	7,800	(8,000)	3.4	(3.4)
NMC	June	73	(56)	—	(—)
Powell Duffryn	Sept	7,210	(6,050)	4.5	(3.33)
Readicut Int	Sept	1,650	(902)	0.17	(0.15)
Samuelson Group	June	2,100	(1,200)	0.8	(0.15)
Scott & Greenham	Oct†	1,730	(1,240)	1.0	(—)
Sketchley	June	6,200	(5,110)	4.7	(4.3)
Smallshaw R.	June	135	(150)	0.75	(0.75)
S & U Stores	July	353	(434)	—	(—)
Volex	Sept	2,130	(1,610)	3.0	(2.5)
Walker & Staff	Sept	108	(148)	—	(—)
Wedgwood	Sept	6,050	(5,950)	3.0	(2.75)
Whitbread	June	65,500	(57,600)	2.25	(2.05)
Young & Co Brew	Sept	2,030	(1,700)	3.3	(3.0)

(Figures in parentheses are for the corresponding period.)

*Dividends are shown net pence per share except where otherwise indicated. † Figures for 26 weeks only. ‡ Figures for 28 weeks. L Loss.

ISSUE NEWS

Wedgwood—One for five rights issue at 187p a share to raise £13.6m.

dssETSH

RIGHTS ISSUES

Barker and Dobson—To raise £8.2m through an eight for 25 rights issue at 9.5p.

Hartwells—To raise £7.6m through a one for four rights issue at 68p.

Readicut Int.—To raise £8.2m through a one for three rights issue at 32p.

Samuelson—To raise £10.2m through a one for four rights issue at 240p.

OFFERS FOR SALE PLACINGS AND INTRODUCTIONS

Millward Brown—USM placing 1.25m shares at 160p.

Snowdon and Bridge—USM placing 1.75m shares at 97p.

Sterling Publishing—USM placing 3m shares at 57p.

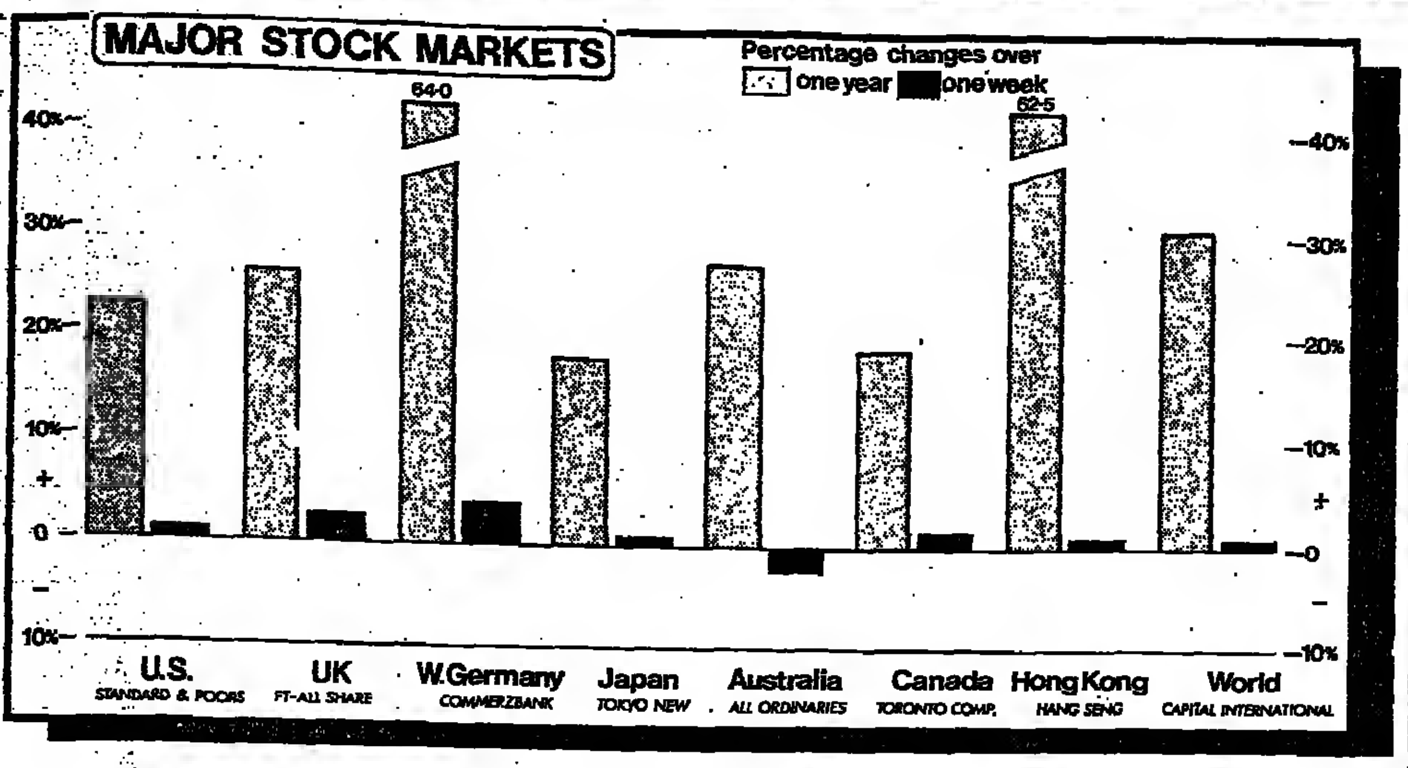
Dunlon Group—USM placing 3.7m shares at 17p.

Essex Water Company—Placing £3.5m of 11.5 per cent redeemable debenture stock 1995-97 at par.

Essex Water Company—Placing £3.5m at 11.2 per cent redeemable debenture stock 2005-09 at par.

The Bristol Waterworks Company—Placing £4m of 11.2 per cent redeemable debenture stock 2005-09 at par.

East Anglian Waterworks Company—Placing £3m of 11.5 per cent redeemable debenture stock 1995-97 at par.



The modern miracle of survival

IT WAS not only politicians and their supporters who were relieved when last week's extraordinary government crisis in Israel was brought to an end — however temporary. In the Tel Aviv Stock Exchange, the signs of relief were audible as far as the Yemenite street market and the great synagogue.

When Shimon Peres, the premier, and Ariel Sharon, his recalcitrant Trade and Industry Minster, first locked horns, shares traders and their customers were aghast, though scarcely shocked. The austerity programme on which the coalition accord was founded was in peril of its life, and shares, predictably fell.

They have since rallied, the feeling is, however, that many sell instructions have merely been placed on hold. If this government should finally disintegrate, the market's reaction will be sharp and immediate.

None of this is a surprise. The wonder is that the market is there at all. The inglorious 1983 crash, precipitated by a collapse in bank shares, was the greatest in the exchange's history — the investment equivalent of the Battle of the Somme. Shares tumbled under the weight of incoming sell-fire, hand-to-hand fighting reduced proud portfolios to discarded scaps of paper.

Dr Meir Heth, chairman of the Exchange, is acutely aware of the miracle of survival. A quiet, contemplative man, he now sees merit in just being around to pick up the pieces.

"Some people," he says, "have argued that we should suspend the Stock Exchange for a while and wait for better times. I say no. We have no alternative but to go on. The exchange has a future. Investors here don't realise that we are keeping a principle alive."

Fortunately, the steadfastness of Mr Heth is reflected in Tel Aviv's continuing activity. It may have bad weeks (when did it last have a good week? is the inevitable refrain), but the exchange remains in business, in spanking new premises, and still offers the prudent investor a real rate of return.

Ironically, on the day when the coalition crisis was bursting, the exchange was observing the 50th anniversary of securities trading in Israel. Celebrating would be too strong a word. Speeches at a reception in the Hilton Hotel were muted. Everyone present was aware that, at the other end of town, investors had their eyes on Jerusalem. Cold water flowed like champagne.

A few figures: the general share index this week hovered around the 265 mark, based on a January opening figure of 100. This appears impressive until it is recalled that inflation (expected to end the year at 180 per cent) reduces the real rise, in dollar terms, to about a quarter of the apparent increase.

A major shortcoming now, according to Mr Heth, is that the primary market is almost non-existent. The total volume of business, both on and off the floor, is averaging between $3m and $5m a day, representing a sharp decline from the daily total of more than $70m in 1982, the peak of the boom. Although there are now 270 companies quoted on the exchange, against 80 in 1978, the worry is that no new listings have been published this year, compared with 76 in 1982 alone and 11 in 1984.

Bank shares, formerly a mainstay of the market, are still important in trading, but—following the government's bail-out of most of the commercial banks in 1983—are now sold

Tel Aviv

mostly as quasi-government bonds. Normal trading in bank shares will not resume until the 1990s, and then only if performance has been such as to justify the change.

The non-bank, "free" sector totters along from day to day. Its index fell sharply in the immediate wake of the Cabinet crisis, edging up subsequently to around 270.

Hi-tech companies are important to the future of Israeli industry, and some, like Elron, with its various subsidiaries and affiliates, remain strong performers. This notwithstanding a number of the bigger concerns do not trade directly on the Tel Aviv exchange, preferring the over-the-counter market in New York, where most of the potential funding is located.

Manufacturing industry is grossly under-represented on the exchange because of the non-inclusion of companies operating under the banner of Histadrut, the semi-state-trade union conferation. The biggest company with available shares is the Dead Sea Works, a public subsidiary of the state-owned Israel Chemicals. DSW is flourishing.

So long as inflation remains a real problem, alternative investments are bound to be preferred to the stock market, and most money these days goes into indexed bonds, saving schemes and retirement funds. The great bulk of Israeli investment portfolios are, now based on Government or Government-backed liabilities. There is trading in short-term bonds, but this market is dominated by the Bank of Israel, operating under its own rules.

Shares in many other companies are not even trading at the moment. Some are under suspension. ATA textiles, once mighty, is a case in point. Bankruptcies are also a continuing problem: Kopel Tours and MAOF Travel are among the more prominent recent failures. Overall, the number of Israeli companies in financial difficulties rose in October by 13 per cent, to an official total of 1,332.

Walter Ellis

Onward to 1500

THE BARRIER that Wall Street had begun to erect around the 1,450 mark on the Dow Jones Industrial Avereage fell this week as though it had never existed. On Thursday, indeed, buying power was so strong, as trading volume shot up to 150m shares, that the index easily moved through 1,460 on the day, while the Standard & Poor's 500 topped 200 for the first time to settle for the day at 201.43. With the market in its present mood, traders are beginning to consider the 1,500 level on the Dow as a surmountable hurdle.

It may be that some investors this week have been encouraged by the sight of President Reagan suppressing his obsession with the evil empire in favour of a rapprochement with the Soviet Union; and the possibility of political peace on another front—the burning question of the U.S. budget deficit—has certainly played a part in improving market sentiment.

But analysts have little doubt that the main driving force behind the continuing powerful upswing in the equity market is the downward trend in long-term interest rates and the equally steady deterioration of the dollar on the foreign exchange markats.

The more relaxed tone in the credit markets was amply demonstrated this week by two features. First, they swallowed the Treasury Bill Note and bond offerings of $46.8bn with ease. Second, the yield on the 30-year Treasury long bond plummetted down through the 10 per cent level for the first time in five years, reaching 9.92 per cent on Thursday. Only two months ago, the same long bond was trading at 10.60 per cent.

Similarly, the dollar has eased yet further this week, touching Y200 at one point on

Wall Street

Thursday and falling to DM 2.58.

The leadership given by interest rates inevitably has helped certain sectors disproportionately. Banks, for example, have remained particularly strong this week, on the argument that the cost of their funds is falling faster than their lending rates. Utility stocks also have been active, moving ahead vigorously on Thursday, although they are still below their record heights touched in July.

On the dollar-related front, companies with broad exposure in international markets — such as those in the pharmaceutical sector — have remaind strong this week, while the raly has begun to wash over into the recently les popular area of high technology stocks. Indeed, the share price of IBM, regarded as the bellwether for the high-tech sector, broke through $140 this week for the first time ever, easily exceeding its previous high of $138⅛.

At this level, IBM is on an historic price-earnings ratio of 14, whereas a year ago it was trading at $121 on a p/e of 12. Indeed, the present rally, which has caried the Dow Industrial index up by 160 points since the third week in September, is begining to push the market to multiples which many analysts do not believe are sustainable.

The p/e ratio on the prospective earnings of the S and P 500 companies next year, for example, is now standing at around 12, according to several Wall Street estimates. That sort of rating has not been seen since the mid-1970s, except during the catastrophic earnings slump in 1982, leading to questions of whether the multiple can be justified at a time of myriad threats to earnings — not least the possible return of inflation, and the pressures that could be exerted on the financial system if the budget and trade deficits are not brought under control.

For the time being, the market is choosing to ignore these dangers and stress instead the positive elements in the economic scene. And, of course, investors are continuing to take advantage of the extraordinarily vigorous phase of corporate restructuring. Takeover activity has continued to affect share prices in no uncertain manner this week, even though there was no large-scale bid.

Household International shares, for example, fell sharply when the company won a precedent-setting court case to keep a new "poison pill" takeover defence, which will make it less vulnerable to predators. Texaco stock also was hit hard when a Texas court awarded $10.5bn of damages against it for persuading Getty Oil to renage on a prior deal with Pennzoil. The award will be reduced or eliminated, lawyers believe, but it would take a brave man to decide what the final outcome will be.

MONDAY	1440.02	−4.93
TUESDAY	1438.99	−1.03
WEDNESDAY	1439.22	+0.23
THURSDAY	1462.27	+23.05

Terry Dodsworth

OFS in a tangle

DID YOU hear the one about the politician who emptied a room simply by saying: "Now, I'm going to make it perfectly clear. . ."? Mining companies have the same aptitude when it comes to announcing their various fiendishly complicated schemes for mergers and asset acquisitions.

As one who did not start in this business last Tuesday, I have to say that the scheme now put forward for merging the Anglo American Corporation group's four big gold mines in South Africa's Orange Free State must be one of the most complicated on record. And yet, the idea behind the plan is simple enough.

These mines were developed in the 1950s and now are past their prime, but they still contain big reserves of ore holding about 2,500 tonnes of gold—more than the entire production of the non-communist world over the past couple of years.

The gold content of the ore is about 4.5 grammes to 6 grammes per tonne of ore, which is not all that exciting against the costs of working deep-level mines. Furthermore, a lot of it is locked up in the "pillars" that mark the boundaries of these adjoining mines.

So, the plan is to work the whole area as one huge operation, employing over 100,000 people and capable of producing around 113 tonnes of gold a year—far bigger than any existing gold operation anywhere in the world. It would make available the ore held in pillars; large-scale working would be more cost-efficient and flexible; mine lives would be extended; and shareholders should get more in dividends. There are not any special tax advantages.

Mining

But there are five companies President Brand, President Steyn, Welkom and Western Holdings. It has taken nearly a year to announce terms aimed at giving a fair deal to shareholders of these merging companies.

My colleague, Jim Jones, went to a meeting called in Johannesburg yesterday to explain the proposals — another is planned for London on Monday — and you will find his report of the details on another page.

In essence, three companies will emerge from the melting pot. The first is President Steyn which (unnecessarily?) is to change its name to the long-winded Free State Consolidated Gold Mines, mercifully to be known more simply as "Freegold." It will control the enlarged mining operation and take over Free State Geduld, President Brand and Western Holdings.

The second company is a newcomer to be called Orange Free State Investments ("Ofsil"). It will be a holding company owning not less than 50 per cent of Freegold. Then, we have the number three company, the existing Welkom, which will change its name to Welkom Gold Holdings and which will hold shares in both Ofsil and Freegold.

Of course, it would have been much simpler if the whole shooting match had been put into a single new company, shares of which could have been exchanged for those of the other existing companies.

That, however, would have hit those institutional investors who are not allowed to have more than 5 per cent of their money invested in shares of any one company; at present, they may well have this maximum holding in two or more of the existing companies.

It is this aspect that makes the OFS merger scheme so complicated, notably in the various options offered for shareholders to switch from one share into another. For the man in the street, however, the terms are reasonably straightforward if the alternatives offered are ignored.

On the basis of every 100 shares now owned in the various companies, the terms work out thus: Free State Geduld holders get 173 Freegolds and 24 Ofsil, President Brand holders get 134 Freegold and 19 Ofsil; President Steyn get 146 Freegold and 20 Ofsil; Western Holdings get 100 Ofsil; and Welkom get a straight 100 in the new Welkom Gold Holdings.

This simplified version of what is proposed is, as I have said, for the benfit of the small shareholder who might otherwise have difficulties in digesting the full terms with his eggs and bacon this morning.

Investment analysts will be making their computers work overtime in order to come up with the full import of the proposals before dealings are resumed in the companies concerned. But then, analysts are paid for this sort of thing.

Kenneth Marston

IV WEEKEND FT

• FINANCE & THE FAMILY •

IN THE NEWS

A house for 1% deposit

LEGAL & GENERAL is test marketing a scheme under which house buyers can avoid paying a deposit normally provided at exchange of contracts. Under the plan the purchaser pays only 1 per cent of the purchase price to the insurance company, instead of the usual 10 per cent deposit, when contracts are exchanged. In turn, Legal & General provides the seller of the house with a Property Deposit Bond guaranteeing to pay if the buyer defaults.

The main attraction of the bond is that it can be used as an alternative to borrowing money at a time when cash is often short.

It is claimed that although the premium on the bond is non-returnable, unlike a deposit, the cost may well work out less than interest paid on a bridging loan without all the worry. The bond will not be available, however, to first-time house buyers.

At present Legal & General is confining the scheme solely to Bedfordshire and Hertfordshire, but if the test marketing proves successful, it is likely to be extended nationally.

New Lazard launch

LAZARDS, the London merchant bank, is launching its fifth Business Expansion Scheme fund, its second in this tax year. The Fifth Lazard Development Capital Fund calls for a minimum of £1.5m by January 15, with priority given to investors in the fourth Lazard fund.

The bank—part of the Pearson Group, which also owns the Financial Times—has built up a track record of investing in relatively low risk companies: 30 companies to date from the £14m raised on the first four funds.

It avoids investing in start-up companies, and has so far notched up only one failure: Trathens PLC, the Plymouth-based coach operators, which is in liquidation. It was a syndicated investment in tandem with the Britannia, Castleforth and Quadrant BES funds. Lazards is charging a 7 per cent front-end fee, and may negotiate share options on up to 10 per cent of the equity of the companies the fund invests in.

Better than an atom bomb

"THIS IS a real 'breakthrough,' something like the discovery of electricity or the atom bomb, and will change the face of Life Insurance into the next century and beyond." With hype like this it is hard to take ManuLife's new flexible cover plan seriously.

The plan is a life unit-linked insurance policy, with the option to increase your life cover in line with inflation without giving any further evidence that you are fit and healthy.

You can take out additional policies without evidence of health at certain ages, and also on marriage or the birth or legal adoption of a child.

Tuck in with a discount

MESSY EATERS can tuck into their Christmas dinners this year without fear of soiling their best bib and tucker. Sketchley is doubling its dry-cleaning discount to shareholders for the whole of January and February.

The move comes in celebration of the company's centenary, and gives shareholders 50 per cent off the cost of cleaning and shoe repairs at nearly 500 Sketchley branches.

The discount will not come cheap unless you are already one of the company's 12,000 shareholders. You need a minimum of 300 shares to qualify, and with Sketchley close to its peak at 416p a share you could end up paying £1,268 for the privilege.

Sketchley admits that January and February are quieter trading months, so it is not being all that generous with the discount.

More generous is the scheme Sketchley is starting before Christmas to benefit Help the Aged and Dr Barnado's. Take unwanted coats and children's outer clothing to a Sketchley branch, and they will clean and repair them free and give them to the charities.

•

NATIONAL MUTUAL LIFE plans to sidestep the debate about whether the State Earnings Related Pension Scheme — Serps — should be abolished: its Harvester company pension plan is claimed to work alongside Serps, or to replace it if Serps is abolished. It offers seven unit-linked funds to invest pension contributions in, and a with-profits fund.

Mortgages

Home and dry on pension

THE MOST tax efficient means of repaying a mortgage is to use a pension contract. Pension mortgages, as such schemes are known, have expanded dramatically since the loss of Life Assurance Premium Relief in the 1984 Budget.

Pension mortgages for the self-employed have been highly developed by building societies and banks, and many special schemes are available for executives. But there seems to be nothing available for the rank and file employee, even top management, using company pension scheme facilities.

At first sight this seems illogical. The pension mortgage operates on an interest only basis during the term of the mortgage, with repayment from the proceeds of a pension contract.

Employees in company schemes usually have the right to commute part of their pension for a tax-free lump sum up to a maximum of 1½ times earnings at retirement after 20 years service. So the company scheme, like the self-employed or executive pension contract, provides cash from which to repay a mortgage.

In addition, most company schemes have in-built life cover.

Yet the building societies, with one or two exceptions, will not entertain mortgages based on employee pension schemes. Their argument is that the employee has less control over his affairs than does the self-employed—a situation that may be more illusory than real.

A more likely reason is that intermediaries are not going to push pension mortgages for employees because there is little in it for them, unlike the self-employed where there is a pension contract involving useful commission payments. As a result employees as a whole are not aware that they could use their pension to repay a mortgage.

However, the evolutionary process cannot be held back indefinitely. Certain institutions are exploring the possibility of pension mortgages for employees and at least one, merchant bankers Kleinwort Benson, has developed a scheme based on Additional Voluntary Contributions (AVCs).

AVCs are a facility given to employees to boost their benefits from the main company pension schemes. The Inland Revenue will allow employees to make a total contribution of 15 per cent of earnings, less the contribution to the main company scheme. The employee gets tax relief at his top rate and investment is in a tax-free fund.

Under the AVC scheme, Kleinwort Benson will lend up to 70 per cent of the first £100,000 value of the house; 65 per cent of the second £100,000; and 80 per cent thereafter. Loans are limited, however, to 2½ times the principal borrower's gross annual income and there is a minimum of £40,000. So it is a somewhat upmarket scheme.

Interest currently 13 per cent on the mortgage is paid until repayment as with any other pension mortgage. The borrower is required to take out an AVC contract to ensure that there will be sufficient cash at retirement to repay the mortgage.

Here the first complication sets in. The cash sum at retirement for employees depends not on the investment performance of the AVC (as it does with a self-employed pension plan) but on the employees earnings at retirement and his length of service.

Kleinwort Benson assess both the anticipated earnings at retirement, by projecting current earnings on a growth assumption, and the expected proceeds of the AVC plan.

The use of an AVC contract not only provides business for the intermediary, it also ensures that the employee does not use up too much pension providing the lump sum.

Now there is a second complication. At present an individual employee cannot make his own AVC arrangements. AVC schemes are arranged by the trustees of the company pension scheme, either through a life company, a building society or invested in the main company scheme. The employee then has the opportunity of taking up the arrangement for himself.

Thus Kleinwort Benson is marketing its AVC mortgage scheme through life companies, talking to company pension managers and personnel directors. A master scheme is arranged within the company which promotes details of the scheme to employers.

Employees who are interested then deal direct with Kleinwort Benson for an AVC mortgage, but the bank does not accept an initial aproach direct from the employee.

The bank insists that separate life cover, assigned to the bank, must be taken out even though the company scheme has high inbuilt life cover. Kleinwort Benson wants the mortgage to be repaid automatically should the employee die before retirement.

However, employees in company schemes giving benefits at or near to the Inland Revenue maximum cannot take out AVCs. This applies particularly to public sector and some old-established private schemes. The Kleinwort Benson scheme is not available for them.

Indeed, the the concept of interest-only mortgages is being developed at a rapid pace. Kleinwort Benson is also investigating the use of Section 32 buy-out annuities as part of the means of repaying a mortgage. From next year employees will have the right, on changing jobs, to take a transfer payment from their scheme and buy an annuity with the money from a life company. Any inquiries should be made through the intermediary and not to Kleinwort Benson direct.

Eric Short

Traded Options

Capturing the high ground

AS EVERY Stock Exchange index raced to record highs this week the traded option market also broke into new high ground. Over 67,000 contracts were traded during the first three days of the week and the market was set to smash the previous best week of 71,000 contracts traded in January.

Unlike the previous record, which was based almost entirely on activity in one stock—British Telecom—this week's activity has been broad-based. Buyers were looking for front-line stocks which were either take-over prospects or which were out-performing previous expectations.

The attraction of options on such stocks is the opportunity they provide to make substantial gains from a relatively small investment.

In the week up to November 20, for example, Courtaulds' share price rose 16 to 184p and Lonrho was up 15 to 181p. These gains of almost 10 per cent can be contrasted with gains of 100 per cent in the traded option market over the same period.

Courtaulds 160 calls for example, giving the buyer the right to buy Courtaulds stock at 160p at any time before January, were offered at 12p each on November 14. A week later the investor could sell that option for 24p.

Since option contracts are sold in blocks of 1,000 the single contract investment was £120 against a sale price of £240, before commission.

The increased volume of traded option business has also resulted in better prices being offered to buyers. When trade was thin jobbers tended to quote wide bid-offer spreads. A buy-sell spread on the premium of 20-24, for example, was common.

Earlier this week Courtaulds January 160 calls were being quoted at 24-25. BT February 200 calls were 11½ to 12½ whereas three months ago 11-14 would not have been unexpected. A jobber at Smith Bros, the leading price-maker on the pitch, noted that these closer spreads resulted from the increase in volume activity.

Market officials are confident this recent burst of activity is not an aberration. Pinchin Denny's David Steen, chairman of the SE options committee, noted that the surge in activity reflected "an increasing awareness by investors of the advantages and flexibility which traded option scon provide."

"This is only a beginning," he added. "By this time next year I expect to see this market trading over 50,000 contracts a day."

Part of this increase will follow the introduction of new stocks. At present 33 stocks are quoted as traded option contracts.

Among these is Distillers which made a brisk start on Thursday. One of the sector's leading brokers bought an unprecedented block of 500 options for a client in the first couple of hours of trading, despite high premiums. Distillers are regarded as a take-over prospect and call options offer an excellent way of making very substantial gains for comparatively little outlay in such circumstances.

The Stock Exchange says it intends to introduce at least one new option contract per month in 1986. With big privatisation issues such as Cable and Wireless and British Gas coming to the market the prospect for attracting more interest to this lucrative secor is good.

But one area remains disappointing. With the market

David Steen

trading at record highs some brokers are puzzled by the lack of interest being shown by holders of large portfolios in the FTSE 100 index option.

Buying put options (which give an option to sell) would provide protection against a reversal in the market's current strength. Yet activity in this contract has lagged behind that in the single stock options.

Richard Verin, head of options trading at James Capel, explained this was partly due to continuing restrictions and tax problems for fund managers buying index puts. Also, said Mr Verin, "some fund managers find the market in the index option still too small to accommodate effective hedging, although several are buying puts in individual stocks ahead of a possible downturn in certain sectors."

John Parry

Holidays on the ever-ever

WHILE you are working, the cost of a holiday can be met from earnings, especially if your family has left home. But will you still be able to afford those holidays once you have retired?

One objective in saving while still at work is to ensure that you will have enough money for the luxuries that make retirement more enjoyable.

A new scheme from the Leeds-based Carrosale Leisure, launched this week in conjunction with the life company FS Assurance, which is based in Glasgow, essentially offers the opportunity to take holidays while working and at the same time to save towards those holidays in retirement.

The scheme is called the Capital Life and Leisure Bond. You first put down a lump sum of £300. You then make monthly payments of £60 for a 10-year period. The lump sum, together with £15 of each monthly payment, goes to Carrosale. The remaining £45 of each monthly payment is invested in an FS Assurance Magnum policy—a 10-year with-profits endowment contract.

The money paid to Carrosale entitles the bondholder to a two-week holiday without any hotel accommodation costs. The maturity payment after 10 years on the endowment provides the cash for the holidays to continue for the rest of your life.

At present, Carrosale has arranged just one location for its holidays—the four star Grand Hotel Excelsior overlooking Valetta harbour in Malta.

If you take out this bond now you will be guaranteed a fortnight's holiday in Malta for each of the next 10 years from 1986. Carrosale is hoping to include two more hotels in Malta for 1987.

The accommodation at the Excelsior for two weeks costs £524 for a twin bed room. This compares with a payment of £480 under the bond in the first year and £180 for the next nine years.

The costs of the holiday to be borne by the bondholder are the air fare, a local service charge and spending money. Holders of the bond are members of the Carrosale Hospitality Club.

If the bondholder cannot take or afford the holiday in a particular year, then it can be sold to another person.

After 10 years, the endowment policy matures with a value estimated at £8,800 on current bonus rates. Bondholders have three choices:

● Take the full amount, in which case the holiday arrangement ceases.

● Cede half the maturity value to Carrosale for guaranteed two week holidays each year for the rest of your life.

● Surrender the whole value for a guaranteed four-week holiday every year.

FS Assurance may be the smallest of the British life companies, but it has a reputation as one of the pillars of the establishment.

It is not legally involved in the holiday arrangements. But since it has given its name to the scheme and is marketing it through its intermediary network, it has a strong moral obligation to ensure that everything is above board. It claims to have checked out all the arrangements.

So what are the drawbacks? First, the time your holiday can be taken is not guaranteed. Carrosale hopes to control this problem by limiting the number of bonds sold to 75 per cent of the available accommodation over a year—at present around 3,500—and it has agreed to accommodate any overflow with hotels of equal status.

Second, the choice of holiday is limited to Malta. Carrosale is negotiating for other holiday centres to broaden the scope of the scheme. Finally, the scheme could fold, but the losses would be more in holiday-makers' expectations than in their pockets.

Christmas giving

The lolly and the ivy

THERE ARE a number of ways of giving one-off financial presents for Christmas should you not want to make the long-term commitment of a gift by covenant. A gift cheque may be the answer but the chances are that you would prefer that any money you give is not simply spending money. Some form of savings or investment scheme in the child's name may have more appeal.

When it comes to choosing a savings scheme the major consideration will be tax. Unless you are giving to a particularly well-off child who is liable to tax, you should look for investments which are either free of tax or pay interest gross. These include National Savings products or gilts on the National Savings Stock Register which can be bought throueb Post Offices. This allowa you to take advantage of the £2.205 which any single person, including a child, is allowed to receive free of tax each year.

The most heavily promoted children's saviogs schemes are those operated by banks and building societies. But unless your sole coocern is to encourage children to open their first bank or huilding society account, or their parents pay only basic rate tax, they are generally not the best savings vebicle because they deduct tax from interest payments at a composite rate.

The best return from the hanks la on Lloyds' Black Horse Young Saver Account which pays 8.0 per cent net against 7.75 per cent on Midland's Griffin Saver. 7.5 per cent nn NatWest's Piggy bank and Online (for older children) accounts, and 7.25 per cent on Barclay's Supersaver.

The TSB pays 7.25 per ceot on its Jeans Scheme account for 7 to 14 year olds bot encourages regular saving by giving free gifts such as calculators or clocks at the end of the year if they save monthly.

Children are getting wise to giveaways or gimmicks and have become adept at opening and closing bank accounts once they've picked up the free gifts. They then keep their money in the account which pays most, so if you intend to open an account on their behalf go for one combining bigh interest with incentives to save.

It is also worth taking a close look at goodies on offer as you may bave lo pay for the starter packs—£1 in the case of the Anglia Building Society, the same for NatWest's Piggy Bank accoont and £2 for its On Line account, for instance. Aod if you want to encourage saving by giving a bank money box Barclays will cbarge £1.

The best return from building societies is offered by Leeds Permanent which pays 8.0 per cent net up to the first £500. In spite of its previons ahunning of gimmicks the Leeds is running a Cbristmas pop quiz competition with 1.000 Sony Walkmans aa prizes. The Anglia pays 7.75 per cent on its Top Saver account but this goes up to 8.25 per cent as a result of birthday bonuses of 0.5 per cent each year. The Yorksbire also emphasises continued saving, paying the ordinary share rate initially but giving honuses of £2.50 when the account reaches £50, £100, £250 and £500.

Most of the other majnr societies also operate children's accounts but offer give-aways and gimmicks rather than financial incentives.

There are mncb more financially attractive investment vebicles for children than those offered by banks or building societies. Natinnal Savings Investment accounts, and Deposit Bonda all pay interest gross. Current returns are 11.5 per ceot and 12 per cent respectively. You need only £5 to open an investment account and can make withdrawals if you give one month's notice. You have to make an initial investment of £100 to huy a deposil bond and the same amount is required to make any further investments. The child will be restricted to withdrawing £50 minimum and bave to give three montbs notice.

National Savings Income bonds, and the new Index Linked Bond, alsn pay interest gross but are inappropriate unless the aim is lo use lhe investment to provide regular Income or pocket money. National Savings Certificales, the current 31st issue paying 7.85 per cent after lax, are only suitable for wealthy children payiog bigber rate Income tax.

If you and/or the child have a gambling streak then Premlum Bonda may be the answer. Children can't hold them nntil their they are 16 hut you can buy them on their hehalf at hanks or post offices. They are sold in £1 units though tha minimum purchase is £5. More than 150,000 prizes are paid eacb month ranging from a jackpot of £250,000 down to £50. Each weekend there is one prize of £100,000, one of £50,000 aod one of £25,000. But the chances of winning a prize are fairly remote with a small holding.

Non-income investments such as Premium Bonds, stamps and coins, are suitable presents for parents to give their own cbildren. Investments which produce income are not, since they will be included with the parents' income and taxed accordingly. Bank, building society or National Savings accounts would also he suitable for your own children if you are only a basic rate taxpayer.

High coupon gills, which take advantage of children's personal tax allowance, also offer attractive returns. If on the National Savings Stock reglsler and bougbl through a Post Office they pay interest gross which avoids the usual bother nf having lo reclaim tax deducled at source. Available stocks on the Register include 15.50 per cent Treasury Stock 1998, 15.25 per cent Treasory Stock 1992 and 14.5 per cent Treasury Stock 1994. There is the further advantage lhat there is no minimum investment requiremeot through the register.

The more adventurous may feel that the sooner children gel used to the stockmarket the better. And since more unit trust groups have inlroduced monthly savings plans these have hecome popular as Christmas gifts with the added fun that the child can follow lhe investmenls' progress in the FT or other financial pages.

Foreign and Colonlal even nffers such a gift scheme on ils Capital Fund, which is an international growth fund. As little as £20 can be invested on a child's hebalf to buy units in the fund.

Other unit trusts groups, such as Barclays, Unicorn, Gartmore, M & G and Save and Prosper operate similar schemes to Foreign and Colonial. Usually the minimum initial and repeat investmentis £20 bul it is not essential to make regular additional payments. However, those management groups which allow regular contributions do not do so on all their funds so the investment choice is limited. Usually the minimum investment for those wilhout regular savings schemes is £500. All unit trusts stress the covenant roule discussed last week as the best option.

Uoit trust dividends are not paid gross hut the tax deducled at source can be reclaimed for a none tax-paying child so most childreo gel a tax-frce return. Unlike gilts, however, unit trust holdings are suhject to capital gains lax when sold

Margaret Hughes

Share option scheme

A taste for everybody

WHEN A company comes to a Stock Exchange listing, the main beneficiaries are expected to be its original owners. Employees, too, may gain if the listing is accompanied by a scheme to give them priority in applying for sbares.

Laura Ashley, the fashion and textile group whose offer for sale was announced this week, has come up with a four-legged scheme designed to meet the requirements of its employees —many of them 19 or 20 year old women with no previous experience of share buying.

The scheme starts with a gift of £50 worth of shares to all employees who have been with Laura Asbley for at least the last seven months. The second leg is a matching offer, wbere employees receive between one and four free shares for each share they buy in the issue for themselves.

"The free offer gives everyone a taste," says Laurie Brennan, chief executive of New Bridge Street Consultants, the employee share specialists wbo designed the Laura Ashley scheme. "The matching offer means the staff have to put up their own money."

Under both these offers tbe sbares will be put into a special trust. Employees may not sell them or lake tbem out of the trust for two years.

Part of the reason for the trust is to aave tax. If the shares are beld in trust for more than five years employees will not have to pay income tax on the value of tbe free shares they bave received. But John Winter, deputy managing director of Laura Asbley, admits the tax benefits were secondary to the desire to encourage not to sell their sbares straight away. "We wanled a holding period anyway," he says.

The matcbing offer is intended to give greater henefits to those who have been with the company for longest, and are most senior. The offer is scaled so that if you joined in 1984 and earn less than £12,000, you will receive one share free for each sbare you buy; bnt it rises to 4:1 for those who have been with Laura Ashley for ten years nr more and earn over £8,000. Most employees fall in the 1:1 category.

Employees are limited to a maximum of £1,200 worth of free shares from tbe matching offer. If they want any more, they must pay the full rate, bnt can receive priority over ordinary applications in the issue.

Laurie Brennan, whose company also bandled the British Telecom employee share scheme, learnt from experience that a few employees might borrow tens of thousands of pounds to apply for priority sbares, wbicb could then be sold on immediately at a profit. For Laura Ashley, therefore, a limit of £5,000 has been placed on the priority offer and matching offer taken together.

Anyone wanting to apply for more than £5,000 of shares will have to take their chances in the general issue.

The last leg of the Laura Ashley scheme is a savings plan, aimed particularly at those wbo do not have enough money immediately available to buy as many sbares as they may want.

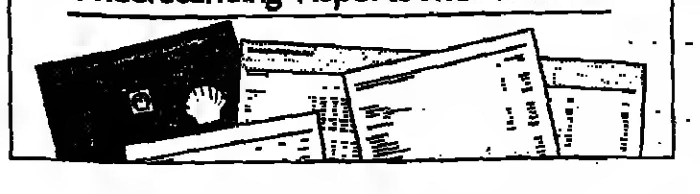
It is a standard share options savings plan, to be found in many companies, not just those coming to the Stock Exchange. You save between £10 and £100 a month for five years in a special account with the Halifax Building Society. At the end of the five years you receive a tax-free interest paymeot. You may use the total saved for any purpose you wish, but you are offered the chance to buy Laura Ashley shares at a price 10 per cent below this year's issue price.

Privatisations like British Telecom have greatly extended public knowledge of the share market.

Questions have focused on three main areas: what will the sbares be worth; what are the tax implications; and how can shares be transferred to familiea? This suggests that a good proportion of the company's workforce will be joining the share-owning community.

George Graham

Understanding Reports and Accounts



For many shareholders, the only contact they maintain with the company in which they own a stake is through a glosy magazine containing the annual report and accounts. This magazine should tell you just how well or badly the company is performing.

Often, however, a great deal of really worthwhile information is toced away at the back in accountants' jargon that is difficult for outsider to understand. The purpose of this series by Jaoe Allen, a chartered accoubtant and lecturer, is to explain how you should read the anoual accounts and report to cut through the jargon and get a clear picture of what is going on.

This will help you to decide whether to sell or retain the shareholding—or invest some more in the company.

When the accounts arrive, they usually make up a glossy parcel of information out of which may well fall further documents: invitations to the AGM; opportunities to vote in absentia by filling in a proxy card; perhaps details of shareholder special offers or incentives. The cover looks good: open page one and there will be an index to the contents, plus perhaps some financial highlights. These are interesting extras but you should ignore them until you have read the full story contained in the back pages.

Shortly after the index, there will be the chairman's report. He will attempt to put into a clear, communicative style all the relevant information he feels shareholders need to know about the company and its activities during the year in vities during the year in question. Chairman's reports usually are well illustrated and put lucidly.

However, like estate agents selling a house, chairmen naturally concentrate on the good points of the year. Well worth reading for background information, the cheirman's report does not tell you all you need to know about the company you own. To be better informed, you ere going to have to turn to the financial information that eppears later on.

To read a set of accounts effectively start by glancing through the directors' report to get some background information about the company. This should explain where and in which commodity the company trades. Turn to the chairman's statement and get some information about the sort of trading year the company has had.

Then find and read the auditor's report; what has he to say about the company? Which pages of the report has he audited? It is after all, his legal duty to report to the shareholders and keep them informed as to how the company is trading.

Next, it will be essential to find out the rules under which the accounts have been drafted. Some of the rules are those applying to all companies; but there will always be a special set; find them in the Accounting Policies section.

Now the background information is complete, it is worthwhile turning to the accounts themselves. Try the Profit and Loss account first; this financial history book will tell how the company traded for the year it is reporting. It will have nothing to say about the future of course. Nor will much of its information make sense without reading the notes to the accounts at the same time.

Once all the information to be gained from the profit and loss account is collected it will be time to turn to the Balance Sheet. This is really a picture of the company and its assets end liabilities on the last dey of its financial year. It will explain what the company owns and what it owes.

One really valuable document remains to be read; the Source and Application of Funds Statement. This is the document that explains where all the money came from in the year of trading, and how it was spent. It clarifies how much money remains in the business and how it has been put to use for the business.

Jane Allan

Unit trust savings

The unsung heroes

UNIT TRUST regular savings schemes are the unsung heroes of the investment world. Since the abolition of life assurance premium relief (LAPR) in the 1984 Budget, they have superseded insurance-based Maximum Investment Plans (MIPs) as the best home for smalltime savers paying tax at the basic rate. Such schemes are still largely ignored.

Yet, most obviously, they are much more flexible. MIPs involve contracts to save for five or 10 years, and carry penalties for early encashment. With unit trust savings schemes contributions as low as £20 to £30 a month (only £10 in the cases of Gartmore, Midland and Barrington) can be altered, missed or discontinued at any time without loss other than the bid/offer spread on the units.

The unit trust plans also tend to be more tax-efficient, particularly if low-yielding growth funds are involved. Unlike the insurance funds, they pay no capital gains tax internally; they give investors the scope to escape tax liability by selling units to fill up their £5,900 annual allowance. That makes them the best buy for 30 per cent rate taxpayers—who will not have to pay further tax on their trust dividends—end anyone outside the capital gains tax league.

Higher rate taxpayers, particularly those likely to face a gains tax bill, may be better off taking the insurance route. But they must be willing to save for at least seven and a half years in a "qualifying" policy if their eventual return is to be tax free. If the units are cashed in earlier, the whole profit—capital gain as well as rolled up income—will be liable to their marginal rate of tax.

Lastly, unit trust savings plans pay considerably less in commission to the intermediaries selling them. With MIPs the insurance companies pay as much as 35 per cent of first year premiums to brokers and financial advisers. That means charges are heavily front-loaded, providing an extra disincentive to cashing in early. Your first few monthly payments disappear in expenses when they might be buying units which, since they are invested the longest, should produce the greatest growth.

Unit trusts, in contrast, deduct only 5 per cent of your contributions, passing on 3 per cent of this to agents. So more of your early money goes on units and less into the broker's pocket. Brown Shipley's scheme goes one further by avoiding intermediaries altogether, rebating the 8 per cent as bonus units to the investor.

Not surprisingly, unit trust savings plans have failed to catch on with professional advisers and intermediaries. As a result sales of these plans have been distinctly modest. Both M&G and Save & Prosper, the UK's two largest unit trust groups, say regular savings account for less than 5 per cent of new business. "Regular savings are undersold," says S&P's Ken Emery. "The intermediary, after all, has got to make a living."

UNIT TRUST REGULAR SAVINGS			
Sector	Result of £20 a month invested over: 15 years £	10 years £	5 years £
UK General	13,352	6,418	1,929
UK Growth	11,596	5,987	1,825
UK Equity Income	13,984	6,656	2,047
International	9,786	5,068	1,634
North America	7,865	4,800	1,549
Europe	8,215	7,405	2,112
Australia	6,268	3,271	1,131
Japan	12,972	6,720	2,014
Far East	—	4,966	1,584

Offer to bid, net income reinvested. Figures at October 1.
Source: Unit Trust Association.

The Unit Trust Association decided late last year to allow management companies to pass on 20 per cent of the anticipated first year's payments to brokers—effectively the first three month's contributions—and to revert to the 3 per cent deductions after five years.

Clearly 20 per cent up front is more attractive to agents than 15 per cent in dribs and drabs over five years; it also encourages the unit holder not to sell during this period. So far only GT has taken up the new commission structure, offering a compensatory 2 per cent extra units for payments after year one.

Nearly 50 groups now run unit trust savings plans, many of them set up in the wake of LAPR's demise. But not all are actively promoted, because of the expense of dealing with numerous small transactions. Several major companies, including Allied Dunbar, Abbey, Henderson, and Prolific, do not run them at all. Allied dropped its savings plan, inherited from Hambros Bank, earlier this year because of administrative costs. "It was just a service to unitholders," a spokesman said. "We made no profit on it."

M&G, however, has tripled its ranks of regular savers to 30,000 since April 1984—admittedly a small proportion of its 250,000 client base—and has stopped direct marketing of its insurance linked plans. "The unit trust schemes now offer better value," an M&G spokesman said. "There is not a lot of profit in them for us, but we take the long term view that today's small savers are tomorrow's lump sum investors."

Even during the reign of LAPR, the unit trust schemes were often turning in healthier performances than MIPs. But they can hardly fail to win now that the insurance plans' charges and the tax disadvantages have been unmasked by the removal of the 15 per cent premium subsidy.

"Unit trust plans will come out better than the insurance versions, assuming that the two funds grow at the same rate," admits S&P, which sells five- and ten-year insurance contracts as well as a straight unit trust scheme.

MIPS, of course, carry an element of life cover which unit trusts do not. But this is normally minimal. You are likely to save money seperating protection from investment, and shopping around for the cheapest term assurance. Brown Shipley, for one, includes life assurance as an optional extra with their unit trust scheme, though few clients have taken it up.

Younger investors who have not yet built up a lump sum may find unit trust savings schemes especially attractive. They can direct payments to more than one fund to achieve a spread of investments that the normal £200 to £1,000 minimum requirement for each fund would otherwise rule out. And as contributions are made regularly, there is no need to worry about timing the investment—if the price drops, you simply end up buying more units.

The effect, known as "pound cost averaging," means that the average cost of units bought is lower than the average prices over the same period. Naturally this is little compensation if the units never recover.

Martin Winn

OTC market

Spotlight on risks

THE over-the-counter market has always been a risky place, but it looks more dangerous than ever in the light of a new report from the Economist.*

The report looks at the options for a company that wants to offer its shares to the public outside full Stock Exchange; but the figures it has compiled on the over-the-counter market make grim reading for the investor.

The over-the-counter (OTC) market is an amorphous group of licensed dealers trading in shares over the telephone. Popular issues of fully listed shares like British Telecom and Britoil have been heavily traded, but the OTC market specialises in companies too small for a Stock Exchange listing. They are likely to be more speculative and more volatile than their big brothers listed on the Stock Exchange.

Riskier companies should offer high returns to investors to compensate for the danger—especially as very few of the OTC companies pay dividends. But the Economist report says the OTC market as a whole has gained only 6 per cent over the last two years, compared with 38 per cent for the FT All Share Index or 16 per cent for the Datastream index of the Unlisted Securities Market, the Stock Exchange's official second tier market.

The stability of the OTC index, however, conceals major movements in individual share prices. It is simply that these movements have cancelled each other out.

Some companies saw their share prices rise dramatically during the period of the study—Applied Holographics up 554 per cent, Olivier up 311 per cent, Airship Industries up 280 per cent. But more than half of the most volatile stocks showed a fall, and 40 per cent of these fells were of 50 per cent or more.

Movement is erratic. "In a typical recent week, less than 20 per cent of the stocks show any movement at all," the report says. "The picture is one of sharp but discontinuous changes which, to a great extent, cancel each other out."

The most damning conclusions of the report are on the question of OTC share prices. Out of 179 shares listed in the "pink sheet" published by licensed dealer Prior Harwin, 58 were quoted "basis price," which means the basis on which the deal will attempt to match bargains. This is at best an uncertain indication of the actual prices it will prove possible to deal at.

And even where bid and offer prices are quoted, the spread—the margin between the buying and selling prices—averages a hefty 25 per cent.

* Going public: a report on the markets in unlisted securities, by Graham Bannock with Alan Doran. Economist Special Report No. 224. Price £95.

OTC BID-OFFER PRICE SPREADS		
Offer as % of bid price	No. of companies	% of total companies
Up to 114	64	51.2
115-129	31	24.8
130-144	11	8.8
145 and over	19	15.2
Total	125	100.0
Av. spread ... 124.2%		

George Graham

Severe Disablement Allowance

Testing time looms for claimants

ARE YOU, or anyone you know, severely disabled, unable to work and between 35 and 49? If so November 28 is a date to remember. That is when the so-called "second phase" of the Severe Disablement Allowance (SDA) comes into operation.

SDA, introduced late last year, is the replacement benefit for the old Non-Contributory invalidity Pension (NCIP) or the housewives' equivalent, HNCIP. NCIP was paid to men and single women who, as a result of long-term illness or disability, were incapable of work for which an employer would pay and had no contribution record against which to claim a national insurance benefit. Married women, who were assumed under Beveridge to have worked in the home rather then in paid "employment," had to satisfy a dual test of incapacity before qualifying for HNCIP. They had to show that they were incapable of work for which an employer would pay, and that they could not carry out their "household duties" such as making beds and doing the washing. As a result disability-related organisations consistently claimed the benefit rules were discriminatory and contrary to the 1979 EEC directive on equal treatment of men and women in social security matters.

In answer to this, the Government abolished NCIP and HNCIP in favour of SDA last year. However, its introduction was phased in because the medical authorities and the Department of Health and Social Security recognised that they could not cope with the expected levels of demand for medical assessments and the flood of fresh claims. Therefore, those between 35 and 49 have had to wait until this month before becoming eligible to apply for the new allowance. Other age groups became eligible a year ago.

In theory qualifying for the allowance rests on a dual test for all claimants. First, they must show that they are incapable of work for which an employer would pay for a period of 28 consecutive weeks. Secondly, they must show that they are so severely disabled that they have an assessed level of 80 per cent disablement. Whereas the second part of the dual test used to rest on marital status, it now depends on severity of disability. Or does it?

"PASSPORTS" TO SEVERE DISABLEMENT ALLOWANCE	
1	If you already receive attendance or mobility allowance.
2	If you receive War Pensioners Mobility Supplement
3	If you have an invalid tricycle, DHSS car or private users' car allowance.
4	If you are registered with your local authority as blind or partially sighted.
5	If you have already been assessed as 80 per cent disabled for the purposes of industrial injuries benefit or a war disablement pension.
6	If you have received a vaccine damage payment.

There are in fact several exceptions. First, if you already receive NCIP or HNCIP, you will automatically be transferred to SDA. Secondly, if you are between 16 and 20, you need only show that you are incapable of work—you do not need to have your disability assessed. Thirdly, again because the DHSS and the medical authorities cannot cope with claims requiring medical assessments, certain benefits have been designated as "passports" to the new allowance. In other words, if you qualify under certain benefits or assessments summarised in the table, you will not have to undergo a fresh assessment. You will simply be deemed 80 per cent disabled.

Because the DHSS operates assessments in the same way as for industrial injuries benefit, if an individual is assessed as 75 per cent disabled this will be rounded up to 80 per cent—enough for SDA.

One final point at school or further education. The defining phrase is "21 hours tutor contact." Anyone aged 16, 17 or 18 and still at school or in further education, can undergo a course of instruction and claim SDA provided the course does not exceed 21 hours of tutor contact time per week.

Unsupervised homework hours, lunch hours and breaks do not count. Even if the tutor contact hours exceed 21 hours, this will still be acceptable if the extra hours have been arranged specifically because of the disability. A typical example would be special extra braille classes.

Linda Avery

Financial Times Saturday November 23 1985

Briefcase

Cattle trample the garden

Should I pursue a claim for damages against a local farmer whose cattle entered my drive and trampled over the garden and lawn. In this lane it is not possible to have gates.

The farmer, who lives in the same lane, admits responsibility and has apologised, but refuses to pay compensation, saying that he took reasonable care while driving his cattle to another field. He referred me to his Insurance Society which sent an assessor who estimated the damage to be £70. The Insurance Society however will not meet the claim.

It is unlikely that you can make a claim for damages for trespass by the cattle: the terms of the Animals Act 1971 afford considerable protection to the farmer; hence the response of the insurers. You could examine your own insurance to see if it affords you cover, but it is unlikely that this would be so.

Drinks go to the dogs

About six months ago I visited a local licensed establishment, when another customer who had just eaten a snack on the premises offered the remains on a plate to a dog who polished them off and was licking the plate. I protested to the customer and to the licensee who owned the dog and I was told it would not happen again.

In October I was again in the same establishment and a customer had one of the dogs with its hind legs on a chair and its front legs on the table, drinking out of glasses held by the customer. I told this person that I objected to his conduct and considered it a serious danger to public health. I again saw the licensee and I was told the matter would be dealt with and that it would not happen again. The dogs have the run of the place. What is the position of animals on licensed premises where they sell food and drink?

This is a matter for the Environmental Health officer at your local authority, and you should take the matter up with that officer. It is a matter of fact and degree whether there is a health hazard; there is no prohibition on dogs as such in public houses, although the conduct you describe may well contribute a sufficient hazard for action to be taken by the local authority.

Trustees' CGT liability on sales

My father died in 1971 and left part of his estate in trust—the income to go to my mother until her death. Mother remains well and healthy and we contemplate selling some equities while the market is high.

(1) Would any such sales be eligible for the "gains not exceeding £5,600, disposals not exceeding £11,200" exemption provided mother sells none of her own assets in the same tax year?

(2) I understand that the Trust will not attract Capital Transfer Tax but will CGT be payable on mother's estate?

1—The Trustees' CGT exempt amount for 1985-86 is £2,950. This is quite independent of your mother's personal exempt amount, which is £5,900 this year.

2—No (if we have correctly interpreted your question).

New house number needed

By agreement with the Post Office and local planning authority, a change has been made in the address of my house, which is one of several properties in an enclave. Previously the properties in the enclave had a single house number and were differentiated by a suffix letter. This number and appropriate suffix letter is used to identify the house in the deeds.

The building society with which I have a mortgage has already been notified of the change. It is essential for the Land Registry to be informed of the change in address, and if so, will there be any cost involved in effecting a change in the records?

It is not essential to inform the Land Registry of the change in the house numbering, but it is advisable to do so in order that any notice which the Chief Land Registrar may have to send you is correctly addressed. The entry should be made free of charge.

Sit tight until told otherwise

The head lease of my land and premises runs from June 1913 to June 1986. The premises consist of a shop with living accommodation above.

The lease merely states that at the expiration "I should quietly yield up unto the lessors."

Do I have to give notice to the lessor that I wish to renew the lease or purchase the property?

Is the lessor supposed to give me notice?

I am loath to contact the lessor — a very large public company — as I pay no ground rent and it is possible that it may over-look that the renewal is due.

Would I forfeit any rights if I do not give notice?

You do *not* have to give notice, but should sit tight. The premises are probably protected under Part II of the Landlord and Tenant Act 1954, in which case the landlords would have to give you formal notice if they want to terminate the tenancy. Only then would you need to act. If therefore you receive a notice from the landlords, you should at once consult solicitors

No legal responsibility can be accepted by the Financial Times for the answers given in these columns. All inquiries will be answered by post as soon as possible.

Ask daughters to countersign

I wish to gift some capital to my daughters. I have too many shares in one particular company whose price has rocketed and whose sale would involve me in a considerable gains tax liability, as I have already reached the limits of my £5,900 allowance for this year. If I gave them some of these shares and they sold them would they suffer any CGT liability, provided their gain for the year is less than the limit?

No, and you could avoid CGT upon the gifts by inviting each daughter to countersign your claim for holdover relief on the gift to her (by virtue of section 79 of the Finance Act 1980).

Of course, once the shares are registered in each daughter's name, it will be for her to decided whether to sell them and, if so, when. There must be no prearranged sequence of events, or the Revenue may assess you to CGT on the basis that the substance of each of the composite transactions was a gift of the cash proceeds, not of the shares.

Pensions

Consider Mr Brown, expatriate

AS RETIREMENT approaches, the expatriate will be faced with many important decisions, but few will be more important to his financial well-being than the question of whether he should partially commute his pension. Most schemes permit the pensioner to give up a part of his pension—usually up to one-third—in return for a lump sum but, typically, the decision once made is irrevocable.

For those retiring to the UK taxation is no bar to commutation. Quite the contrary, in fact, for while the pension itself would be chargeable to tax, the commutation proceeds usually escape liability altogether. This will be the case, where the pension to be commuted derives from service at least three-quarters of which was overseas. (In the case of jobs lasting more than 10 years, the required proportion could be less.)

Receiving what could be a large sum from partial commutation of the pension gives the recipient a financial freedom and flexibility of action that getting the pension itself could achieve only over a long period. The cash could be used to buy a boat or a larger house and some of it might finance a world cruise or a new car. But if the happy recipient merely invests this addition to his capital, a very advantageous position is likely to result.

Consider Mr Brown whose total income is such that he has a marginal tax rate of 50 per cent and who commutes one-third of his £21,000-a-year pension in return for a lump sum of £70,000. This he invests at 10 per cent.

Naturally, the commutation will reduce Mr Brown's pension: but after taking into account the tax which would have been paid on it, the net reduction is as follows:

Full pension	£21,000	
Reduced pension	£14,000	
Gross reduction in pension	£7,000	£7,000
Deduct Overseas Pension Tax Relief 1/10th	£700	
	£6,300	
Tax payable at 50%		£3,150
Net reduction in pension		£3,850

On the other hand, the new capital will itself produce income:

£70,000 invested at 10%	£7,000
Deduct tax at 50%	£3,500
Net income	£3,500

As will be seen, the income after commutation is £350 a year less than it would have been had the full pension been drawn. So, there looks to be a clear advantage in drawing the pension. But is that really so?

A moment's reflection will show that nothing could be further from the truth. For if the pensioner dies, the pension dies with him; had he opted for the lump sum, it will remain a part of his estate.

Thus, commuting will be disadvantageous only if the point is reached where the reduction in income which it causes exceeds the lump sum itself. In our example, that would be:

$$\frac{\text{Lump Sum £70,000}}{\text{Annual Income Loss £350}} = 200 \text{ Years!}$$

The most generous pension schemes allow commutation without any curtailment of widow's pension. However, even if it does reduce that pension, too, the overall result is not likely to be changed much.

Of course, instead of investing his lump sum for a high yield, Mr Brown might prefer a portfolio of equities producing an average income of, say, 5 per cent, together with the prospect of future capital appreciation. The net income produced would then be:

£70,000 invested @ 5%	£3,500
deduct tax @ 50%	£1,750
Net Income	£1,750

His annual income loss would now be £2,100 (£3,850-£1,750), and commutation would become disadvantageous after 33 years
$$\left(\frac{£70,000}{£2,100} = 33\right).$$

If the pension is index-linked and inflation is running at the rate of 10 per cent a year, the net pension increase foregone at the end of the first year by reason of the commutation would be £385, as follows:

Pension increase foregone £7,000 @ 10%	£700	£700
deduct Overseas Pension tax relief 1/10	£70	
	£630	
Tax payable @ 50%		£315
		£385

But if the investments achieve a growth of just one half of this rate, the increase in the value of the portfolio would be £70,000 @ 5% = £3,500.

Naturally, every pensioner should carefully examine the figures appropriate to his particular scheme but, in the great majority of cases, the conclusion is likely to be clear. If you have the right to commute your pension, do so.

Donald Elkin

Bed and breakfast bounced back

Can you kindly tell me what the present law is regarding bed and breakfast.

It used to be that one could sell and rebuy within the same account, thus establishing a loss for the cost of one commission and a small jobbers' turn.

Recently, under the present Chancellor, it was ruled that the sale had to be in one Account and the repurchase in the next Account, for the cost of two commissions, a full jobbers' turn and stamp duty.

More recently still I understand there has been some relaxation; but although they both agreed that this was so, neither any stockbroker nor the accountant who does my tax return could say exactly what the relaxation is.

Assuming that you are only talking about bed-and-breakfast transactions in UK equities on The Stock Exchange, the answer is that you can do what you used to do before April 6 1982, namely sell on Day 1 and buy on Day 2 (within an account, with no delivery and hence no stamp duty). Old-style B & B was restored by a last minute amendment to the Finance Bill, retrospectively from April 6 this year.

Your accountant should not be discouraged by the final part of paragraph 19.17 on p.571 of Butterworths UK Tax Guide 1985-86. This was prepared before the Government tabled its crucial amendment (inserting the word "subsequently" into what is now paragraph 18 (1) of schedule 19 to the Finance Act) and unfortunately was not altered in the final stages of preparation and printing. There were a remarkable number of last-minute changes to the CGT rules this year—and there will doubtless be many more next year, possibly retrospectively from the beginning of the current tax year.

CGT shows signs of getting out of control if a lot of work is not done upon the legislation before next spring—preferably with full and unhurried consultation.

Saleroom

Scripted links with the past

WHAT IS the longest established, and most secure, of the saleroom markets? The answer must be western illuminated manuscripts. They commanded high prices from the moment the scribe laid down his quill in the 15th century and the advent of printing hardly dented their appeal.

Along came Elizabethan antiquarians, like the Earl of Arundel, with an insatiable thirst for old manuscripts, and every subsequent generation has sought historical knowledge, or artistic satisfaction, in this most tangible—and most numerous—link with the medieval world, and indeed with the so-called Dark Ages.

More to the point the *nouveaux riches* have always collected them, from the Medici's of the 15th century to the Rothschilds of the 19th. Today J. Paul Getty Jr is among the keenest buyers. That very cautious institution, the British Rail Pension Fund, paid £82,500 in June for a scrap of vellum of the 7th century which might just have been written in England. Not surprisingly, the highest price ever paid for a work of art at auction is the £8.14m which secured the Gospels of Henry the Lion at Sotheby's in 1983.

Apart from the consistent buying, which has largely eliminated cyclical phases in this market, there has also been the stability of one major source of supply — Sotheby's. Until the 1950s Sotheby's dealt mainly in books and manuscripts and for well over 200 years most of the important manuscripts passed through its rooms. Every year it sells about 200 medieval manuscripts as against less than 20 at Christie's.

The main dealers can hardly compete. Kraus of New York will rarely have more than 20 good manuscripts on offer at any one time, and the majority of them will have been bought at Sotheby's. Maggs of London might have four in stock. Sotheby's is holding one of its biannual sales on Tuesday.

Although demand stays constant there are changes in fashion. In recent years the very old manuscripts have commanded high prices while the pretty illuminated Books of Hours of the 15th century, the basic medieval manuscript, is less sought after. In the 19th century it was local records which excited the interest: now 13th century rent rolls and the like are out of favour.

Because Sotheby's has dealt in the manuscripts for over two centuries it can trace the price patterns. In 1858 a rather dull manuscript from the reign of King John of local interest sold for £50, the price of a modest London house; in 1981 it only made £700. In contrast, a Florentine History of Rome, of around 1470, a much more appealing document, has been sold by Sotheby's six times, starting at 16s in 1784, falling to 14s in 1899, before making £2,400 four years ago.

On Tuesday the saleroom is offering a very attractive French illuminated manuscript of around 1470, with a secular theme, the history of the world. The last time Sotheby's sold it, at the Duke of Hamilton's sale in 1889, it made £155. Now it is estimated at £100,000-£150,000.

What excites Dr Christopher de Hamel, Sotheby's specialist in this area, is the wide price range at his sales. The highest price next week should be paid for a very old manuscript, a Carolingian Gospel Book of the 9th century, which had been lost for over 50 years, and which has never been on the market. It is very much to the modern taste and should sell for over £300,000, perhaps to a museum or public institution. (About half the medieval manuscripts enter the public sector at each sale, reducing the supply for private collectors.)

In contrast you can still buy four tiny late 15th century miniatures cut from a French Book of Hours for £300-£400, a modest price for a direct link with the world of half a millenium ago. A complete Book of Hours, without illustrations, can be bought for £500, and a single leaf for £30. The price rises with the number and quality of the miniatures and the amount of gold leaf.

A miniature from The History of the World, circa 1470. The artist, evidently, had never seen an elephant.

A really excellent Book of Hours, Paris School, of around 1450, in good condition and with 15 colourful miniatures, is on offer at £20,00-£30,000. It will probably go to a rich collector of art who wants one decorative manuscript as his token appreciation of medievalism.

One strong area of manuscript collecting interest is early Bibles and Biblical fragments. Tuesday's sale has some appealing lots, notably two leaves in Syriac from the Gospel of St John written down in the 6th century, probably in Edessa, and among the earliest surviving fragments of the Bible. Sotheby's has, of course, sold these before: in 1949 they made just £170. They are now estimated at £5,000-£8,000, a modest sum for such a rare and historic item, and their new home could well be a university library.

Also on offer is a Wycliffite Bible, the firfist Bible written in English. Produced in the 15th century by the followers of the reformer Wycliffe they were the underground literature of their day; possessing such a Bible could lead to imprisonment, even death. Only 235 are known to have survived and most of these are firmly guarded by museums—the British Library has more than 100 copies. With perhaps half a dozen in private hands a bible collector has a rare chance next week to acquire a copy, for around £12,000-£16,000.

There is just one disappointment for Christopher de Hamel. Operating in such a well researched and stable market the chances of a sensational but unkown manuscript surfacing are poor. He does not expect to sell again any manuscript which approaches in importance the Gospels of Henry the Lion. But there are still things to seek out. One of the most valuable of British produced manuscripts is the 12th century Winchester Bible. Over the years, ecclesiastical vandals have cut and run with around a dozen of its illuminated initials, the most recent in the early 1920s. Somewhere lurk these decorative fragments, each with a value in excess of £100,000.

Antony Thorncroft

Collecting

Designed to adorn

JEWELLERY IS one of my blinder spots. I do not possess it or wear it, and the glamorous hard-back auction catalogues of Geneva jewellery sales leave me cold. I am inclined to echo Goldsmith's ironic gratitude to people who wear jewels: "You have let me look at them, and that is all the use you can make of them yourself; moreover, you have the trouble of watching them, and that is an employment I do not much desire."

Even so it is hard to remain unmoved, gazing in museums at earrings that dangled from the lobes of Rameses II, collars that graced the brown neck of Tutankhamen, or chic little gold gewgaws once treasured by anonymous but well-heeled Roman citizens. The florid creations designed by Catherine the Great's court jewellers to sparke in the candlelight of imperial soirees are among the most evocative objects now in Soviet museums.

It is revealing too to glimpse the creative effort of the people who designed them; and a rare chance to do so is afforded by a unique album of 1,593 designs for jewellery and goldsmiths' work, by a number of designers working for one Victorian jewellery firm, John Brogden and Son, between 1848 and 1884. The album, styled "The Brogden Archive" will be sold by Sotheby's on December 5. It is expected to realise around £20,000.

John Brogden the elder started the firm in the 1790s. It became in turn Brogden and Garland (1824-1831), Garland and Wathersson (1831-1841) and, when John Brogden the younger, who had served his apprenticeship with Garland, went into partnership with J. H. Watherston in 1848, Watherston and Brogden. The firm traded from 16 Henrietta Street in London's West End and continued to do so after John Brogden assumed sole control with the retirement of Watherston. Brogdens moved in 1880 to 4 Grand Hotel Buildings, Charing Cross, and finally closed down after John Brogden's death in 1884.

The 19th century was a period of artistic and social revolution for jewellery. The French Revolution left Europe generally impoverished, and the rich and royal less eager than before to display their wealth. As semi-precious stones, paste and imitation gold came into more general use, and designers concentrated on settings for smaller and cheaper stones, the wearing of jewellery became more democratic.

The demand from the new bourgoeisie was immense, and commercialisation of jewellery manufacture, accelerated when South African diamonds came on to the market at the end of the 1860s, inevitably led to deterioration and stereotyping of design.

Brogden however was recognised as an "antiquarian" jeweller, one of a group which sought fresh inspiration in ancient designs. The most famous of them were Giuliano, also based in London; and Falize in Paris who revived Renaissance styles, with enamelled and jewelled gold; and Castellani of Rome and Fontenau of Paris who imitated the "Etruscan" styles of classical jewellery in museums and private collections.

The inspiration Brogden found in antique forms was first rewarded in the Great Exhibition of 1851, when the firm received the Prize Medal for a covered cup, "in the ancient style," of gold, enamels and precious stones, weighing 95 oz. Designed by Alfred Brown, it was ornamented with allegorical scenes in praise of England, with figures of Fame crowning Nelson, Wellington, Shakespeare, Milton, Newton and Watt.

After this Brogden exhibited regularly at the great international exhibitions, a vital promotional outlet for any go-ahead 19th-century manufacturer. He was nothing if not eclectic. In Paris, 1867, he showed jewels inspired by Assyrian, Egyptian, Roman, Viking and Renaisance jewellery, which his assiduous designers had studied in museums and in old paintings.

A handsome gothic cross with a painting attributed to Quentin Massys in the National Gallery was a popular Brogden line. "Mr Brogden, said the *Art Journal*, "is a scholar in his profession, and his learning is shown in all the works he produces." At the 1878 Paris Exhibition, Brogden was given a gold medal and the Legion d'Honneur.

It is not certain whether he designed any of his own jewellery. Several hands are distinguishable in the album, including that of the most celebrated Victorian designer in this country, Mrs Philip Newman. Fifty of her drawings in the archive constitute the only known collection of designs by London's first woman artist-jeweller.

Victorian jewellery: a piece catalogued in The Brogden Archive

These highly finished talented little sketches often reveal the source of her inspiration in museums originals or architectural details. The most notable is for the Worcester Casket, made for presentation by the Monmouth magistrates on the occasion of the coming of age of the Marquess of Worcester in 1868.

Trained at the government art school in South Kensington and married to the artist designer Philip H. G. Newman, Mrs Newman set up her own workshop as a "Court Jeweller" in Savile Row after the death of her employer. Regarded as a significant precursor, if not a pioneer of the Arts and Crafts Movement, her elegant jewellery is marked, somewhat primly, with an austere "Mrs N" in a neat rectangle. Her designs are usually signed with a simple "N."

Janet Marsh

Archaeology

Bury me in my sensible shoes

GLOUCESTERSHIRE seems to represent a state of mind, defined by the country's great gardens, big houses, rich wool churches, hanging valleys, hunts and families. Less obvious to its character are its fine Neolithic long barrows which give a fresh perspective on the country and go some way towards revealing its state of mind in the 4th and 3rd millennia BC.

Long barrows are rectangular or trapezoidal burial mounds, in Gloucestershire ranging from 30 to 100m, usually aligned east-west and built of soil and stone with a stone wall around them marking the limits.

Inside these mighty mounds are one or more chambers with passages to them. In some there are chambers in the long sides which open to the outside. The chambers are generally built of large stones (megaliths), set on edge as orthostats, and there are megalith capstones for the roofs.

In Gloucestershire 60 of these tombs form the core of what is known as the Cotswold-Severn group. It has outliers across the Severn in Wales and in Oxfordshire and Wiltshire, as far as Wayland's Smithy on the Downs near the Uffington White Horse. East of the Severn they are usually on high ground that falls away steeply on one side creating a false hill crest.

Finds inside the barrows have been rather disappointing by comparison with the grandeur of the architecture: pottery, personal ornaments, human bones and animal bones, pig, ox and sheep or goat are the most common. Trees identified from charcoal include ash, beech, elm, hawthorn, hazel, oak, pine, willow and yew, and a cherry.

Take sensible shoes, a torch, your dog and sheets 162 and 163 of the 1:50,000 Ordnance map for a tour of the Gloucestershire barrows. Recently I went west from Cirencester and circled round to the north.

South-west of the village of Rodmartin and north of the A433 is Windmill Tump. Tump is a splendid word of the West Country and West Midlands, not known till the late 16th century. The first citation in the OED sums it up: "they brought him unawares to a dunghill, taking it for a tumpe, since a Tombe might not be bad." Windmill Tump has an 18th century aspect. It is covered in trees, ivy and scrub and full of hollows caused by investigations over the years. The barrow is on a gentle slope and reached by a path along the edge of a field of kale.

The burial chambers are in the long sides. At the east end is a false entrance, presumably intended to foil grave robbers.

If you continue to Uley, leaving on the B4066 and following signs to Uley Tumulus, you will come to Hetty Pegler's Tump: she owned it in the 17th century. Stop at Crawley Hill Farm near the top of the hill to collect the key to the burial chambers.

The barrow is half a mile further on. It has a fantastic view of the Severn valley from right on the edge. You feel you must not make a wrong step. A tatty wire fence needs replacing with a wooden one or a drystone wall

A short passage leads to a low doorway with a colossal lintel through which you can crawl. Inside are side chambers, partly blocked, and an end chamber, made of great orthostats and drystone walling. In a surprisingly intimate way, quite unlike that of the megalithic circles, you are in touch here in these dry chambers with early Britain.

About threequarters of a mile further along the B4066 is the Nympsfield barrow, in a similarly spectacular position on the edge of the Severn valley. It is small, about 30m long, and the roof has gone, which makes it easy to read the plan of the chambers and understand Hetty Pegler's Tump and the others better.

It is possible to imagine Neolithic man walking along the ridge-way and marking the journey by the monuments which would have been among the few buildings to be seen. The building of these barrows needed much labour, which is as good a clue to the importance of those once buried inside as the superb positioning.

The grandest of all, and wonderfully remote, is Belas Knap, above the valley between Winchcombe and Charlton Abbots, in the usual dominant position on the edge, while below are two Roman villas and Sudeley Castle. It is a good walk up at 950 feet high but well worth while. The mound stands out across the fields like a grass whale. The chambers in the sides are in good condition. But what is really unusual is the walling of thin Cotswold slates laid horizontally, preserved around the forecourt and false entrance to almost 2m. The delicacy of the work is an astonishing contrast to the solidity of the mound and the wild openness of its position.

Gerald Cadogan

CHESS

GEORGE KOLTANOWSKI, former president of the US Chess Federation, has a rare and remarkable talent in blindfold chess. In such games the player is not physically blindfolded, but sits with his back to the boards and communicates his moves to opponents by chess notation.

This form of chess can be extremely tiring mentally (try it!). The Russians have even claimed that it is dangerous to the brain; they have always discouraged or banned their grandmasters from practising it.

Koltanowski surely proves them wrong. He is now 82, still an active writer, organiser and raconteur, as well as retaining his exceptional memory. He held the world record for blindfold chess in 1937 when he took on 34 opponents at once in Edinburgh, beating 24 and drawing with the others.

Koltanowski's special feat is the blindfold knight's tour: a well-known chess puzzle that challenges a player to move a knight in such a way as to touch all the squares on the board once, and no square twice; normally the knight has to return to its starting square on its 64th move.

Even though there are more than 100m possible solutions, a knight's tour is hard enough, attempted for the first time with a knight, a chessboard, and half-an-hour to spare.

Koltanowski is so in command of the tour that he fills in the squares with names, telephone numbers, banknote serial numbers, and similar figures provided by his audience. He then spends only three or four minutes memorising the board, and performs his tour by hopping from one item to another. "I will go from New York 452-2705 to San Francisco 569-1483" is part of his routine repertoire. He has even done a tour with random numbers on a board he has not seen for a year.

His chess show is among the most popular events at any US congress, and it includes problems and puzzles of his own creation, with stories about the game and its personalities.

How did he achieve such an unusual skill? Originally a diamond cutter in Antwerp, Koltanowski recalls no special early talent for blindfold chess. It started, he says, after watching another master give a blindfold exhibition, and a subsequent challenge from friends. He has a chessboard painted on the ceiling above his bed, and used it in spare moments to develop his sans-voir technique.

One approach which has helped his "blindfold" results is to know a few clear-cut openings very well. He favours the old-fashioned Giuoco Piano (1 P-K4, P-K4; 2 N-KB3, N-QB3; 3 B-B4) on the king's side but more often prefers the queen's pawn Colle Opening. (The choice is an incidental tribute to his original homeland: Colle, who died young, was Belgium's greatest player.)

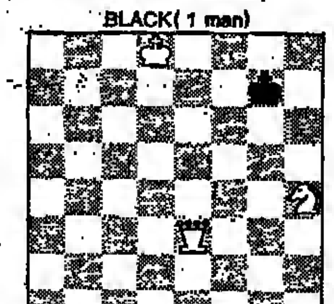
The Colle is an easy system to play: White develops by P-Q4, P-K3, B-Q3, QKt-Q2, castles, then advances P-K4 (perhaps with a preliminary R-K1 or Q-K2) and aims to attack Black's castled king. This win was one of eight simultaneous blindfold games, and features a sacrifice which most players would consider a coup even with full sight of the board.

White: G. Koltanowski. Black: Sir Hugh Walpole.

Colle System (Keswick 1937). 1 P-Q4, N-KB3; 2 N-KB3, P-K3; 3 P-K3, P-Q4; 4 B-Q3, QN-Q2; 5 QN-Q2, B-Q3; 6 P-K4, PxP; 7 NxP, NxN; 8 BxN, N-B3; 9 B-Q3, O-O; 10 O-O, P-KR3; 11 Q-K2, B-Q2; 12 N-K5, P-B4; 13 PxP, BxP; 14 R-Q1, Q-K2; 15 B-KB4, QR-Q1; 16 Q-B3, B-B1; 17 P-B3, P-KN4; 18 B-N3, K-N2; 19 P-KR4, R-KR1; 20 B-B2, P-N3; 21 N-B6, B-N2; 22 P-N4, RxR ch; 23 RxR, Q-K1; 24 QxN ch! KxQ; 25 B-K5 mate.

PROBLEM No 595

BLACK (1 man)



WHITE (3 men)

White mates in three moves at latest, against any defence (by M. Dukic). With minimal force and a natural position, the problem for solvers is that there are many plausible tries.

Solution, Page XV

Leonard Barden

Moscow replay

WORLD CHESS Championship matches are like FA Cup Finals. The tension usually inhibits the opponents so that the quality of play falls well below the expectations of spectators and the high standards of the competitors.

But the recently concluded world chess championship match in Moscow, in which challenger Gary Kasparov beat Anatoly Karpov 13-11, was a glorious exception to this depressing tendency.

Some of the draws involved heroic efforts, with Kasparov coming up with enough ideas to win a dozen games against a player without Karpov's fabled defensive techniques.

So Batsford's idea of producing an instant book on the match is a gamble that has succeeded. Published on November 13—just four days after the end of the match *Manoeuvres in Moscow* sold out of its 7,000 copy first edition in two days. An "instant" second edition is now being printed. The authors are Raymond Keene, the chess grandmaster, and David Goodman an international chess master.

Much of the book's success is not related to the quality of the chess, but to the personal feud between the two players. Nothing attracts the public as much as a grudge match.

I can find only one error in the book. The diagram of the critical position in game 21 misses out one of Karpov's pawns, thus giving Kasparov a winning position that never occurred.

Manoeuvres in Moscow, Karpov-Kasparov. By Raymond Keene and David Goodman. Batsford. £5.95.

Dominic Lawson

BRIDGE

TWO SLAM contracts from recent rubbers were misplayed by the declarers. Here is the first:

N
♠ J 9 3
♥ A 6 3
♦ J 4
♣ A 8 7 5 4

W
♠ Q 7 2
♥ Q J 10 8
♦ 10 9 5 3
♣ 10 2

E
♠ 5 4
♥ 9 7 4
♦ Q 8 6 2
♣ Q J 6 3

S
♠ A K 10 8 6
♥ K 5 2
♦ A K 7
♣ K 9

With both sides vulnerable, South dealt and opened with two no trumps, to which North replied with three clubs. This response asked for a five-card major—a convention which I, too, play with two of my regular partners—and South said three spades. North now made a cue-bid of four clubs, and South replied with four diamonds. Then followed four hearts from North, and five clubs from South, and North jumped to six spades.

West led the heart Queen, declarer won with the King, and cashed Ace and King of diamonds, ruffing the seven on the table. He returned the spade Knave, and took a losing finesse. West returned the heart Knave, and South's portion was defeat—he could not avoid a heart loser.

The better line, after winning the heart lead in hand, is to cash the Ace and King of spades. If the Queen drops, there is no further problem. When the Queen does not fall, declarer cashes King and Ace of clubs, and ruffs a club in hand. West discards—to overruff is of no advantage—and South cashes the Ace and King of diamonds.

Now he ruffs a diamond with dummy's spade Knave, and ruffs another club in hand. Whether West discards or overruffs, the declarer will be able to cross to the heart Ace, throw his losing heart on the established eight of clubs, and claim his slam.

South must assume a 3-2 break in trumps, but he cannot afford the luxury of the finesse.

In the second hand the declarer simply did not think:

N
♠ A 10 9 2
♥ K 6 4
♦ A Q 7
♣ K J 4

W
♠ 7 6
♥ 9 8
♦ J 9 6 2
♣ 9 8 7 5 3

E
♠ K Q 5 4
♥ 3
♦ K 8 5 3
♣ K 10 6 2

S
♠ J 8 3
♥ A Q J 10 7 5 2
♦ 10 4
♣ A

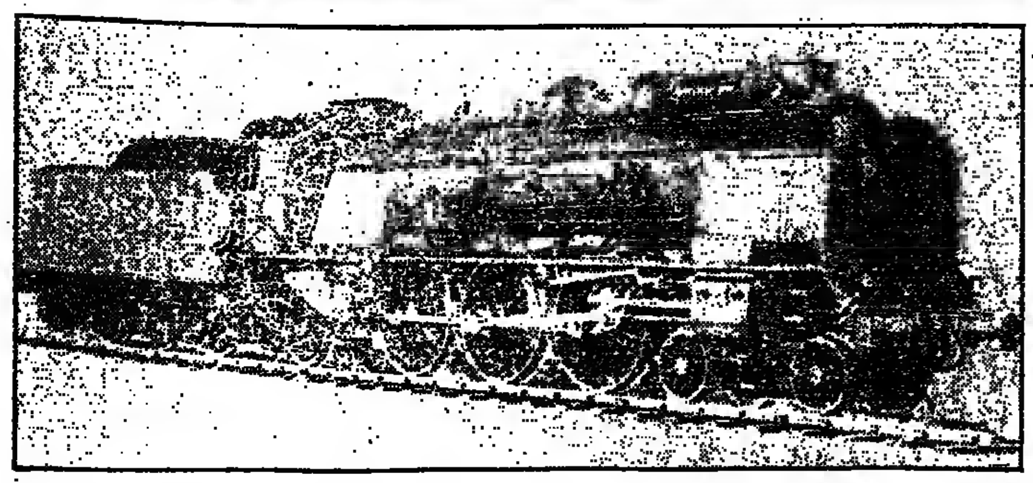
North dealt at game to North-South, and bid one no trump. South replied with three hearts, and North rebid three spades, accepting hearts as trumps and showing the spade Ace. South now bid four clubs, North said four diamonds, and South went straight to six hearts.

West led the heart nine, and the declarer drew two rounds of trumps with Queen and Knave. After a slight pause he decided to take two finesses in spades, so he led the eight and ran it. East won with the Queen, and returned the club two, the only return that was not fatal. South won with his Ace, and took another spade finesse, losing to the King.

There was a moment's silence. Then North started to speak: "The slam was cold. You played like a farmer's boy." "What's wrong with trying the double finesse in spades?" asked South. "It is an odds-on chance." "A certainty is better than any odds-on chance," said North. "You should have cashed your Ace of clubs after drawing the trumps, and then played the eight of spades. The Queen wins, and what return, may I ask, can East make that does not give you the twelfth trick?"

E. P. C. Cotter

DIVERSIONS



All-metal 0 gauge model of a 1934 French locomotive. 21 inches long. Rivarossi's Masterpiece series. price £1500.

For one-track minds

The model train business is gathering steam. Michael Strutt examines a world in miniature.

THE MICROCHIP is being given a run for its money by a traditional hobby which is making a surprising comeback this year. Model trains as a children's toy took a battering from Star Wars spin-offs, electronic games and home computers, but sales are now rising again and as an adult hobby trains are going from strength to strength.

There is now a huge and ever-expanding choice of individual locomotives and special sets for children and enthusiasts to run, and for collectors to put on the sideboard—some at far from pocketmoney prices.

One set, for example, marks this year's 150th anniversary of the Great Western Railway, in correct livery of course.

Hornby, the best-known name, found itself buffeted in the 1970s by the instant appeal of electronic toys, and also by two new manufacturers—Mainline and Airfix. But there wasn't enough room and the two newcomers themselves ran into trouble, though they are still available.

Simon Kohler, Hornby's marketing manager, says: "About a year ago people started returning to traditional toys and pastimes. Exposure to trains on TV, through the Great Western celebrations, for example, have also helped bring children back to looking at model trains."

Beatties, the high street chain of model shops, also says that sales are up, as does Peco, the specialist track maker, which exports most of its output and reckons that seven out of ten of its customers are adults.

Almost every kind of train seems to be modelled and the variety is bewildering: narrow-gauge engines and boxlike diesel shunters, to famous British locomotives such as Mallard and Coronation, great name passenger trains of America and all kinds of coaches and wagons from a dozen Continental and Scandinavian railways.

You can pay £30 to £40 for a basic Hornby or Lima set, with extra carriages or trucks costing a few pounds each, or £60 to £100 for a finely-detailed plastic moulded locomotive by Roco or Rivarossi, to £1,000 and much more for a sizeable electric or live steam loco. Everything from Stephenson's Rocket to today's French TGV.

With the latest electronics, you can also have lights that work automatically, and steam and diesel noises—even the synchronised sound of wheels slipping on the rails.

There is a vast number of scale parts and accessories for the railway layout enthusiast; range after range of miniature cars and people, fences and trackside equipment, clock faces, weather vanes and wrought iron gates. And, if you want it, a replica of the main station at Bonn.

Nearly all model trains run on 12-volt DC systems and there are three main track gauges. The main world standard is H0 gauge (16.5 mm), while the familiar UK (00) gauge is a perversely British size, using slightly different scale rolling stock on the same tracks. 00 gauge holds three-quarters of the British market.

Larger than this is 0 gauge (32 mm), the size for a defined band of traditional enthusiasts who run faithfully-detailed models and layouts costing hundreds of pounds.

The third is the neat N gauge, developed in the 1960s. A complete layout can fit on to a table-top and a basic set costs about £80. Several manufacturers make N gauge but the UK market is dominated by the technically excellent diecast Graham Farish range which extends to 300 vehicles, 45 of them locomotives.

N gauge accounts for half the sets sold in Germany and is the gauge of the future, according to managing director Peter Farish. "Houses are built smaller these days and the old 8 ft x 4 ft 00 layout can be set up in N gauge on a board measuring 4 ft x 2 ft."

But model trains can be smaller than this. The tiny—and expensive—Z gauge, made only by Märklin, has rails a mere 6.5 mm apart. Its locomotives, a couple of inches long, are made as finely as a watch and can cost up to £70 each.

Larger still than 0 gauge is gauge 1 (45 mm) for which some remarkable metal models are made, often steam-powered, big enough to run in the garden during summer. It is also the track size for LGB (Lehmann's Big Railway), the large and cheerful indoor/outdoor trains made by Lehmann of Nuremburg. Colin Sparrow of Beatties says: "A lot of men buy LGB sets 'for the children' but they are really for themselves."

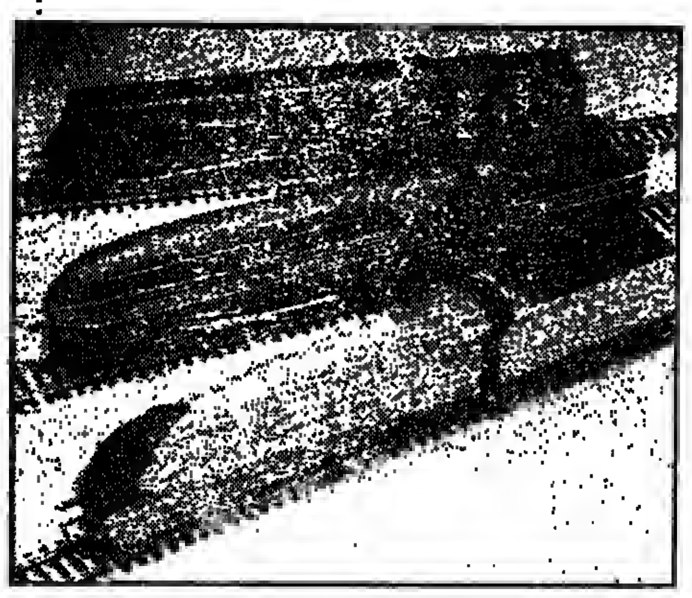
The specialist end of the market, for the dedicated collector, is fascinating. The pieces, costing several hundred pounds, are a tribute to the manufacturer's or handbuilder's art. Already an appreciating asset, these very high-quality models, from makers such as Rivarossi, Metropolitan and Fulgurex, are the collectors' items of tomorrow if not now. They are distributed through specialist dealers such as Victors in London and Kittle Hobby in Swansea.

Peter Banks of Kittle Hobby, who also imports and distributes a number of ranges, says: "This is the adult market of scale models rather than model trains. Our customers are almost exclusively men, with quite a few company directors and mail order customers in India and the US.

"We had 30 Metropolitan Stanier Jubilee locomotives at £550 each and they all sold in 10 weeks. So strong is the nostalgia for steam that quite modest people sometimes buy a £1,000 locomotive by instalments." Coaches can cost £220 to £600-plus each.

He is now marketing a series of specially-built gauge 1 steam models of 1880s and 1890s locos under the title Victorian Connection, with the first priced at £1,400. They are, he believes, the first British-made museum-standard pieces to be offered.

Also beautifully made are the Aster gauge 1 steam locomotives produced in small batches in Japan for Fulgurex—mainly for the US market. A glistening Mallard in pre-BR blue livery costs £1,700 and the biggest in the range, a superb black Hudson at £2,800, is a whopping three feet long.



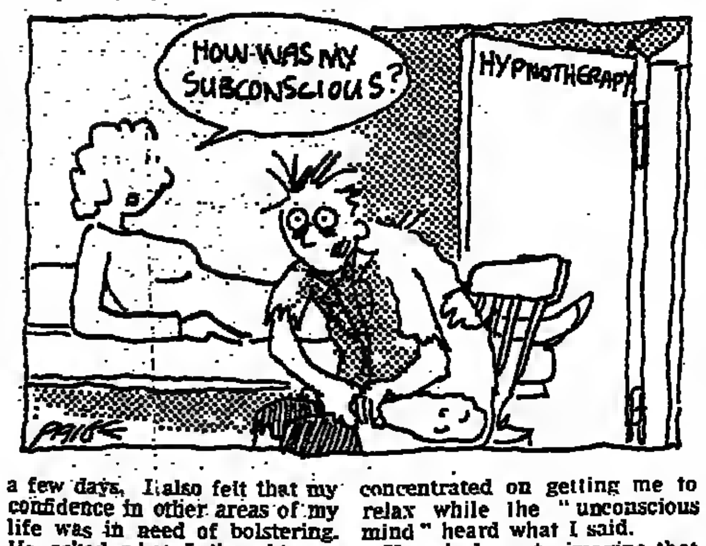
Classic British 00 gauge locomotives by Hornby. From top: 41 Squadron of Southern Region, LMS City of Bristol, and LNER's Silver Fox £35-£40

Addresses

Hattons, 180 Smithdown Road, Liverpool 15 (tel: 051 733 3655). Kittle Hobby, 24 Pennard Road, Kittle, Swansea (tel: 044 128 2508). Model Railways, 14 York Way, London N1 (tel: 01-837 5551). Victors, 166 Pentonville Road, London N1 (tel: 01-278 1019). W and H Models, 14 New Cavendish Street, London W1 (tel: 486 3561).

Alternative Health

Dream up a better lifestyle



A GROWING number of small advertisements claim that hypnotherapy can help cure problems as diverse as blushing, compulsive eating, depression and insomnia.

Can it? Or is this claim merely a modern version of 18th century nerve powder, which it was claimed, countered "frightful dreams, confused ideas, failure of memory and horrors"?

Hypnotherapy, practitioners say, can cure or relieve anxiety, phobias, obsessions, thought-induced "illness," loss of memory, blushing, smoking or drug addictions, compulsive eating, impotence or frigidity and depression.

Treatment methods vary. In general, however, hypnotherapists first explain hypnosis and reassure patients that they won't lose control. They induce a light stage of hypnosis until the patient's eyes are closed. Finally, they deepen the hypnosis if it is considered necessary.

Hypnotherapy works by persuading patients to relax, to lower their normal defences and explore memories that may have been deliberately repressed. In this way, the therapist can discover the root of the problem and, while the mind is relaxed and receptive, plant in positive suggestions.

Practised correctly, hypnotherapy can do no harm. However, hypnotherapists are not legally obliged to have training or qualifications—so it is important to go to a reputable practitioner. With that in mind, I contacted the British Society of Medical and Dental Hypnosis, which holds a national register of medically qualified hypnotherapists, and asked for one in London.

Many people are apprehensive about hypnotherapists because of the lasting impression left by stage hypnotists—with their melodramatic control over members of an audience. Potential patients are often uncertain what to expect from a hypnotherapist and hesitate to find out.

The room of the hypnotherapist I visited, was free from any overtones of Svengali. It was light and airy, it had three comfortable chairs and a small bed against the wall.

I explained that I was nervous about a speech I was to give in a few days. I also felt that my confidence in other areas of my life was in need of bolstering. He asked what I thought was the root of this lack of confidence. In this first session, he would, however, concentrate on helping me with the speech.

He told me to close my eyes and rest my hands on my knees. Then for about 30 minutes he asked me to imagine various scenes. The first was that I had a small, fearful alter ego inside me and that I should envisage her by the side of me, calm her and tell her that her worries were not doing me any good.

I was to recall the last time I had behaved in an unconfident way and mentally re-run the scene, this time acting more assertively. Using this technique, I was to recall earlier occasions of the same kind.

He told me to imagine a screen on the left showing past images of failure with speeches and one on the right with images of success. The right hand screen was the positive one on which I should concentrate. He asked what I felt particularly nervous about. I said I was anxious that my mouth would dry up, preventing me from talking. He suggested various practical hints, like taking mineral water with me.

Then, in a quiet, slow voice, he asked me to move to another, more relaxing chair, put my head back and look up with my eyes, as high as I could. "Take a deep breath in, close your eyes, and breathe out," he said. For the next 10 minutes, he concentrated on getting me to relax while the "unconscious mind" heard what I said.

He asked me to imagine that I was going to walk down some stairs.

At the bottom of the stairs I would find a library of my life's experiences in book form. Together, he said, we would update this library with the more positive memories, which from now on I should use for reference, slowly replacing the older, negative experiences. Replacing those books, he said, would have an effect on other areas of my life.

In that library I could practise standing up for myself, being more assertive, speaking my own mind. It was a place where I could practise some of my talks, gain confidence, "but still maintain your charm, you own true delicate character," he said.

He slowly counted me back up the stairs and asked me to reopen my eyes. He had recorded this part of the session and gave me the tape, so that I could play it at home as a form of auto hypnosis. He asked me to see him the following week to check how the speech had gone.

Two people who underwent hypnotherapy told me of their reactions. One, a 42-year-old man, wanted to give up smoking. He felt the hypnotherapy was a waste of time and money.

"I expected some sort of trance," he said. "He just reiterated that I should stop smoking. Apart from my eyes being closed, it was like listening to my friends."

The other patient, a woman, 38, who washed her hands obsessively about 40 times a day, said that it was only through deep hypnosis that she had begun to realise why she did it. "It was the only treatment that helped. I had tried everything," she said.

Hypnotherapy can undoubtedly point to an impressive number of successes. Nevertheless, I felt that the hypnotherapist had merely given me a pep talk that I could have given myself. He asked how I felt, and I told him. Confidently. Perhaps, on reflection, he had helped me.

When I went back, however, to tell him the speech had not gone badly, he told me off for not being positive. "Say it was good," he insisted. I had to try several times, because I was so used to self-deprecation.

What I learned from him is that the confidence is there, but I had been undermining it.

Costs

I paid £35 for my hour-long session, and each further session will be the same amount. Costs vary among hypnotherapists. Some charge only £8-£10 for half an hour, but bargain rates may mean an inexperienced practitioner.

Names of medical practitioners — doctors who have also trained in hypnotherapy — can be obtained from the British Society of Dental and Medical Hypnosis, 42 Links Road, Ashtead, Surrey. The British Hypnotherapy Association, 67 Upper Berkeley Street, London W1, also runs a referral service (though practitioners are not necessarily medically qualified); and information and practical help can be obtained from the British Society of Hypnotherapists, 51 Queen Ann Street, London W1. (Sae required.)

Warning: some hypnotherapists who advertise have impressive letters after their names. They may mean very little.

Joy Melville

Stars and stripes forever

Gardening

VARIEGATION is a gift of nature, not something you can breed. Every now and again a plant turns up with some leaves that are not wholly green, but instead are marked with white, cream or yellow. It can come in spots or splashes, as an edging to the leaves, or as a blotch or streak in the centre. Occasionally, it might simply follow the veins, giving the leaf a mottled appearance.

Such variegations may be evanescent. You take a cutting from the shoot with the oddly coloured leaves, hoping to preserve the novelty, and it goes back to normal the next year. That happened to me not long ago when someone gave me shoots from a rosemary that had a gilt edge to each leaf. Nearly all the cuttings rooted, but not one of the plants now shows the slightest sign of variegation.

Fortunately, this is unusual. Generally, the plants derived from cuttings or from grafts (if that proves to be an easier way of propagating the freak which properly is called a sport or mutation) do continue to look just like that original stem. So a new variety is born and, most probably is given a name, although this is not always so.

Sometimes, you can get several variegations from the same species. There are two well known golden variegations of Elaeagnus pungens, a bushy shrub with inconspicuous but sweetly scented flowers in the autumn. The one most commonly sold by nurseries is called Maculata and has a large blotch of yellow in the centre of each leaf: but the one I grow has a yellow band around a green centre and is variously known as Dicksonii and Variegata. I prefer it to Maculata because some of the leaves come all yellow, and so the overall effect is brighter.

There is a hybrid between Elaeagnus pungens and another species named E. macrophylla with leaves that are silvery beneath. This hybrid is named E. ebbingei and is a useful screening or background shrub because it grows fast and has very sweet scented flowers. But although its leaves also are silvery beneath, this hybrid could not rival the variegated forms of E. pungens for colour until one day it, too, produced variegation. It came in the form of a yellow edge to the leaf and so the variety was named Gilt Edge.

There is, I think, rather less yellow on average than either of the variegated forms of Elaeagnus pungens and it is paler in colour, although these are difficult matters to assess as individual plants vary greatly. But a plant of Gilt Edge that was shown at a Royal Horticultural Society meeting a few weeks ago was better in both these respects than any I remember seeing previously and, on this standard, E. ebbingei Gilt Edge would go towards the top of my list of desirable evergreen variegated shrubs.

So also are the best of the creamy-white and yellow variegated hollies such as Golden King, Madame Briot and Silver Queen. Golden King is another of those plants that can produce some stems on which the leaves are wholly yellow with no green at all; but it would be unwise to use these as cuttings in the hope of getting a completely golden plant since, lacking any chlorophyll to enable it to use the energy of sunshine to manufacture food, it would probably die rapidly of starvation.

There are some plants that have all-yellow leaves and yet survive; but if you look closely you will see they have some under-current of green or are wholly yellow only for a period and become increasingly green as the summer advances. This is true of the mock orange named Philadelphus coronarius aureus and also of Spirea japonica Goldflame. Both are excellent garden shrubs but are not evergreen, so they do not help the colour display in winter.

The Indian bean tree, Catalpa bignonioides, has an all-yellow leaved variety named Aurea which, like many variegated plants, does not grow as fast as its normal green-leaved parent. It is much planted as a street tree and does very well in towns, but it is late coming into leaf in the spring. Recently, in a small nursery, I saw a very unusual form of this tree which had a double variegation, some parts of each leaf being yellow, as in Aurea, and some parts lime green. It was being sold as C. bignonioides variegata and I thought it attractive although not as bright as Aurea.

Griselinia littoralia is a big bushy evergreen that has two variegated forms, one the reverse of the other. The common one is called variegata and has a yellow edge which can become very broad to the point occasionally, at which the leaf becomes wholly golden. The other form, which does not seem to have acquired a name, has the yellow in the centre and the green round the edges. I see it from time to time in gardens but I have never encountered it in a nursery or in a nursery catalogue.

Since the green of griselinia is itself light and yellowish and the surface of the leaf is very smooth, I rate Variegata and its mixture of lime green and gold among the best of yellow variegated evergreens.

There also are some excellent varieties of euonymus which offer a great range of heights, from the almost prostrate Euonymus fortunei variegatus, which has grey-green leaves edged with white, to the tall and bushy E. japonicus ovatus with lustrous green leaves widely bordered with yellow. In addition, there are small shrubby forms of E. fortunei which will grow 18-24 in high and spread to a yard or more. Emerald and Gold is one of these, with a lot of yellow which becomes more coppery in winter; Silver Queen matches it in creamy white; and Emerald Gaiety is deep green edged with white.

Arthur Hellyer

Country notes

Fair and fowl play

MANY years ago I lived in a village off the farm and early one Sunday morning was woken by a gunshot in a field behind my house. Looking out I saw the local poacher run up to a corn rick, put something in it and then disappear up the hedge. I went to investigate and found that he had hidden a partridge there. Such practices are not to be encouraged, so I removed the partridge, replacing it with a note suggesting that he call at the landowner's house and ask for it back. We then ate the partridge.

I came to know this character well later and always found it best; when I became a landowner, to invite him shooting so that I would know that when I was at one end of the farm, he was not reducing the stock at the other. I also had a great deal of sympathy for what might be called the non-professional poacher—that is, the man who did it for sport and not simply as a business.

When I was a tenant farmer the landlord often kept the game for himself and it used to irk me when his pheasants scratched up my corn and I felt the keeper was always spying on me. Rabbits had always been fair game for a tenant and it was most frustrating to see a pheasant come out of a bush which might have held a rabbit and not shoot it. Sometimes the temptation was too great to be borne, especially when I knew the keeper was away, and although suspected, I was never caught red-handed.

But circumstances alter cases. I purchased my first small farm and immediately became a game preserver. There was little game on it, rabbits and the odd pheasant. So I joined with Alf, the poacher and together we became a thorn in the side of the local landlords. The pheasant, although it may be reared in captivity, is primarily a feral bird. It becomes the property of the landowner where it finds itself and can be shot by that man—or otherwise taken—as long as he has a game licence.

There are all sorts of tactics for attracting them. Planting strategic blocks of kale; installing feed there to hold them; or one could go for a stroll through someone's wood with a small bag of wheat and raisins and dribble it along the right hedgerow.

Of course the neighbours used to try and counter these tactics but only occasionally did they take the obvious step of inviting me to go shooting. I would never bite the hand that fed me, at least unless I was very hungry. Then, as my acreage spread, I found that my larger neighbours were doing exactly the same as I had been doing. Their keepers seemed to ignore boundaries and were up to every trick to stop their reared birds from straying.

This is a big problem nowadays. Birds used to be hatched out and brooded under hens, with which they would stay for a long time. This gave them an attachment to their rearing place and they seldom strayed far. Today they are incubator batched and then brooded artificially and kept in holding pens before release. Once beyond the wire they wander for miles. Their main pathways are the hedges along which there are beaten tracks used by all other wildlife.

If you should meet someone walking along a lonely lane, whistling perhaps and tapping the road or the branches as he goes, he is probably trying to induce the birds to move to his land or persuading them to return to their birthplace, without committing trespass. Which is hard to prove anyway.

I once asked Alf if he had ever been caught. Not seriously he admitted. By which he meant that he had never been prosecuted. On one occasion he saw the policeman approaching along the lane and dived into the ditch with gun and bag of game. The policeman stopped when he became level with him, lit his pipe and then said as he set off again, "You'll get bad rheumatics in that ditch, Alf."

There are still operators on Alf's scale about, often sniping at birds from their cars on Sunday afternoons. But as far as I know there are not the organised gangs which in pre-war days used to have pitched battles with keepers. Most of the aggro is between rival landowners or their employees acting independently. The fact is that game birds are not really valuable enough to make poaching a commercial, and not a sporting, activity. Quite unlike salmon poaching.

John Cherrington

DIVERSIONS

Lucia van der Post

HOW TO SPEND IT

Children advise on the world of Wuzzles, transformers and Lego

Ideas for Santa to toy with

I SUPPOSE some children are born with exquisite natural good taste, asking Santa each Christmas for just a set of finely-made Cuisenaire rods (they look so *right* scattered on the stripped pine floor) or a pack of Design Centre approved building blocks but if so I haven't met them.

Visit any toy department on a pre-Christmas Saturday morning and what it is the little faces are gazing raptly at? The gaudy, net-skirted fairly at the top of the tree, the garishly-coloured plastic caterpillar, the purple cuddly toy or the mesmerising screen of the latest compnter game.

For the department stores it poses a neat dilemma—whether to bank on the toys children actually want or the toys that parents would like their children to have. Any toy buyer who wants to keep a job will bave to steer a fine course between the two.

Toys are more than ever a fashion business with cycles coming ever faster. Television, it seems, is an almost overwbelming influence with a series of advertisements being followed by a deluge of reqnests in the atores. Most years there is one outstanding winner of the popularity stakes—last year it was the year of Master of the Universe, the year before it wasn't Christmas if yon didn't wake up to find Star Wars in your stocking—but this year the favours are spread out a bit more.

This Christmas the top of the pops are Night Rider, Master of the Universe, My Little Pony, Transformers, Sweet Secrets, Care Bears and the Wuzzles. To those of us reared on Pooh Bears, Meccano sets, dolls honses and building bricks, they sound like alien totems from a strange new world.

But there are some links still between the dreams of children today and those of yesteryear—cuddly toys are still a consistently good seller and even if Care Bear isn't yonr idea of an old-fashioned teddy it is at least a familiar idea.

The charm of My Little Pony is hard for an adult to grasp—made of unattractive material, in unappealing colours it seems distinctly short on charm but it appeals, I understand, to the nicest, most caring of little girls.

The appeal of a Wuzzle is even harder to grasp—an unlikely collection of colours (purple, orange, turquoise) combine to form an even more unlikely animal (for instance, a hipperoo — a combination of hippo kangaroo).

Trains for boys are, it appears, losing ground—so much for the age of tha train—but Thomas the Tank Engine and Postman Pat are both doing well.

The image of families divided by computer screens once haunted the nation but we can relax—it never came to pass. The family survives and the increasiog popularity of board games proves it. Trivial Pursuits looks as if it will outsell its rivals yet again this year.

Finally, if your oil well bas come gushing up or you backed the right horse, you might like to know that it is now possible to buy mini-cara that work on petrol—cheapest is an open "fun kart" at £895

But enough of what the stores tell us they are selling this Christmas. What do the children want? We asked them to apeak for themselves:

● Most of the toys mentioned are widely available but if you have the time and energy you will be able to save considerable sums by "shopping around." Prices seem to very enormously from one outlet to another with chains like Argos, Asda and Boots offering more competitive prices than the more up-market department stores.

Andrew Coles (12½)

"I need a new watch but it must be a chrono with alarm date and stopwatch and it must be waterproof. And I'd like any of those Electro records from 1 to 9. I'd like some blank videos, so I can have my own recordings of programmes I like. Of course if I had a video recorder . . ."

Alison Coles (14½)

Alison, in common with a good number of young girls, is horse mad. It was therefore no surprise that what she wanted above all for Christmas was "a horse." Anything to do with horses, riding, jumping, whether in the form of books, videos or clothing such as jodhpurs, puffa and so on would he welcome. "A sheepskin jacket" would be more than welcome bnt more realistically, records by her favourite groups of the moment, Wham! and Aha. A safer though boring bet would be record tokens, to avoid the risk of buying the wrong one. As a parting shot, Alison's final thought was "just give me the money, and I'll save up for my own horse."

Caroline Lambert (10½)

"For Christmas I would love a bicycle because my old one is much too small for me and I don't ride it any more but the trouble is Daddy never believes me. I would also like some roller skates with boots on them, for then I would skate down the road and in the mews next door. As I've got a window box, I would like some seeds to put in it.

I would hate to be given stationery, because I've got loads already and I would not like clothes, because I get those just normally."

Thomas Bell (4)

"I would like a remote controlled car like Charlie's so that we can have races and lots of Play People. I don't want a Care Bear because my sister hates them but I do think boys can have them."

Emma Bell (10)

"I would like a radio so I can listen to music or something interesting while I am in bed. I would like books, books, books . . . I don't want a Care Bear, My Little Pony or a Wuzzle that you snuzzle as I think they are all horrific"

Scott Kelly (15)

"I would like a synthesiser board—not a very sophisticated or expensive one but one from Dixons or Laskys or whatever."

Trevor Humphries

Wuzzles and Lego: Jacquelineson—Cleaver and Mark Inman

Jacqueline King (7)

"I would like a Wuzzle because they're funny, cuddly and don't look real. Also a desk, a white one with red trim and matching chair to tidy my papers so Daddy could stop complaining. I'd like an old-fashioned sort of rocking horse. I'd like to ride proper horses but when I get bored at home I could ride that instead. Then I'd like Rainbow Brite—I already have two dolls and would like the matching horse. You can do lots of things with their hair. I think they are cute."

Oliver Pauley (9)

"I'd really like the Megatron Transformer which is a robot which converts into two guns. It's one of the best big transformers I've seen. I also like Pneumatic Lego. We've got tons of Lego and Lego Technic but not Pneumatic which is new.

"I don't really mind what I get for Christmas because it's always fun but I'd hate to get a rubbishy book instead of a good book. And I'd hate to get a technical book about computers because I've got plenty of computer books with my computer. I'd rather have computer games. I'm not very keen on getting sweets because I always end up saving them until they go mouldy. I've got a chocolate rabbit somewhere which is two or three years old."

Ben Hunt (6)

"What I'd like most is an Optimus Prime (a robot which transforms into a lorry) because my friend has got one but I've just joined the Lego club and I'd like some more of that, especially some with a motor to make robots.

Ian Barnes (15)

"For Christmas I would like a Honda CR 125 RE. I would like this bike because I want to start Moto-Cross. Ever since I went to see my friend at school in a race I have become very interested in this sport. Also a couple of months ago I went to see the world champion Dave Thrope ride at Elsworth—it was great, he won all of his races. I feel I could become good at it and I would like to get a sponsor if possible."

Peter Lambert (7)

"For Christmas, I want an Omnibot because it has lots of things joined on to it and it can do lots of things, such as it has a tape recorder joined on and a clock. I want a video game, because I have two already and I think they are great. I don't want some Lego, because I don't play with it at all.

Care bears and transformer: Louisa (left) and Daniel Munch

Louisa Munch (6)

"Dear Santa Claus,

Please could I have a pram and a doll and some smarties and Shira and some pens and a pencil box."

Robert Kelly (17)

"I don't want to push my luck too far because I'm being given driving lessons but I wouldn't mind some clothes."

Rafael Pauley (7)

"My best wish of all would be a car from Park Lane except you can't ask for things like that because they are too expensive for Father Christmas to be able to give everyone and anyway he couldn't manage to deliver them all. Also an Animal, a truck with claws concealed in the wheels. They come out when the truck hits an obstacle and helps it climb over. I hope I don't get any cash as its more fun to get the presents."

Darren Thompson (5)

Way back in October Darren first wrote to Father Christmas asking for "a transformer and a Zoidziller (a motorised prehistoric monster)." Since then, under the influence of television it seems, he has amended the list. "I would still like a transformer but could I also have a Road Ripper, Snake Mounting, Zoidziller, Lego, He Man and Dungeons and Dragons?"

Thanks to Harrods for supplying the toys in the photographs, and to Neal Street East, 5 Neal Street, Covent Garden, for the party props.

Daniel Munch (4)

"Dear Father Christmas,

Please can I have smarties and a He Man and a big transformer."

Teddy and Starlite: Laura Dawkins (left) and Pippa Greenway-Cross

Laura Dawkins (2½)

"Cakes, sweeties, crackers, crisps, chocolates . . . and a party."

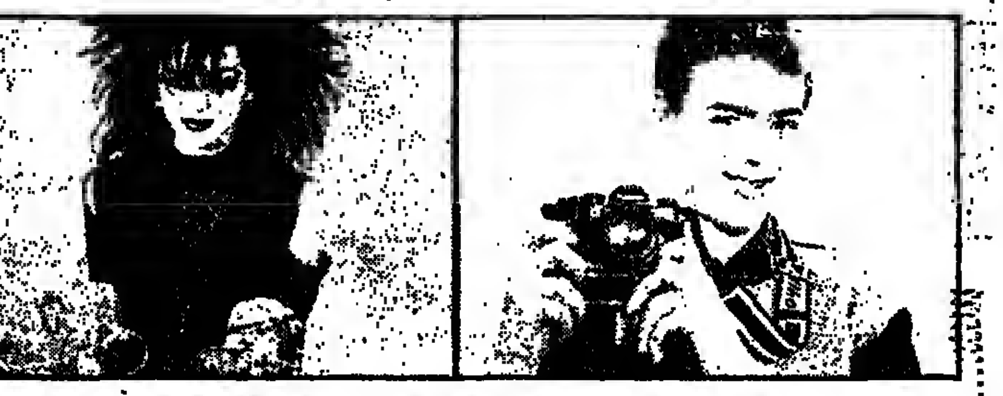
Pippa Greenway-Cross (5½)

"Dear Father Christmas,

Please may I have Rainbow Brite and her horse Starlite for Christmas because Rainbow Brite has a pretty bow in her hair and Starlite has a multi-coloured tail.

Also, I would like to have My Little Pony Windy, because it's the only one I haven't got, and a My Little Pony writing pad for my thank you letters.

The only other thing I really want is a weeing banana, because it's funny in the bath . . ."



Glitz and cameras: Leigh Robieson-Cleaver and Mark Inman

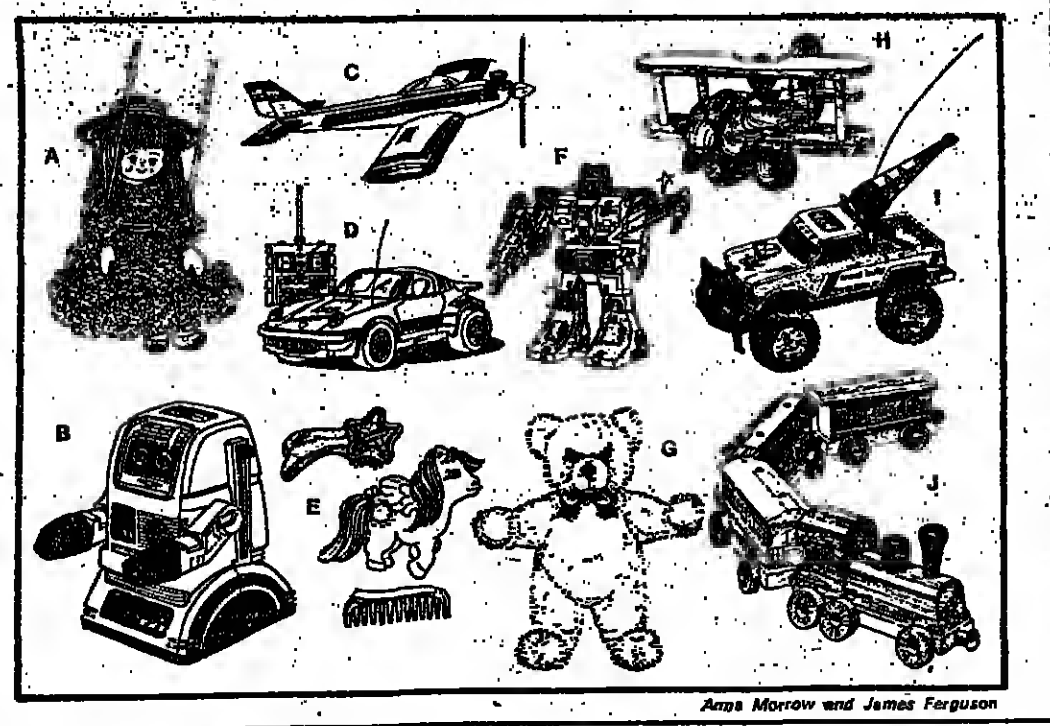
Leigh Robieson-Cleaver (15)

"What I'd really like is a stereo of my own, so that I could sit in my room with it blasting away. I'd also like crimpers—the ones that make your hair go into zigzags. And clothes. Black, gothic clothes. And lots of glitzy silver jewellery would be good.

"The worst thing to get would be something like an orange or green fluffy jumper. You'd have to smile and try to look as if it was what you always wanted. Or casual track suits. Ugh!

Mark Otto Inman (15)

"I really want a personal stereo but my parents refuse to have me walking about the house twitching and with a tinny noise coming out of my ears. I like records (Queen, Slade, Dire Straits) or fashionable clothes (ie those I choose myself), but I need a new camera because I accidentally dipped mine in the sea last summer.



Anna Morrow and James Ferguson

A. Rag dolls, like teddy bears, are back in favour. Laura, with her straw hat, frilled Liberty print dress and pink satin shoes, is 56 cm high, £39 (£4.25 p+p) from Harrods of Knightsbridge, London, SW1. B. Chatbot (a mini-robot which records messages, moves forward, turns, speaks and delivers objects, all by remote control). £39.95 from Harrods, Hamleys and other toy departments. C. Fabulous flyer flies for 45 minutes has 1.18 metre wing-span. Ready-built, complete with accessories to be fitted before flight. £122 (p+p £4.25) from Harrods. D. Radio controlled miniature Porsche 911. Goes forward and into reverse, turns, stops and has two speeds. Runs on Ni-Cad batteries (don't forget to buy the charger as well, not included in the price). £35 from Harrods. E. My Little Pony, complete with brush and comb, £4.50 from Harrods, Hamleys and many other toy departments. F. One of the toys of the year—the Transformer. This one transforms from a spaceship to a robot and back. £5.99 from Hamleys of Regent Street, London W1. G. Teddies, it seems, are back in favour. This one is the softest, most desirable one I've seen, a real old-fashioned bear. Made from fireproof man-made fibre, well tested for safety (the eyes are almost impossible to pull out). 17½ inches high. £34.95 from Naturally British. H. Beautifully hand-carved, wooden, bi-plane—in natural wood with dark green propellers and wheels. By Rogue Toys of Devon, £12.99 from Naturally British, 13 New Row, Covent Garden, London WC2 (p+p £1.95). I. Ford Sand-Bully 4x4 Off Roader with automatic winch and crane which can pull objects towards or behind the vehicle. Four-wheel drive, balloon tyres, headlights, removable hard-top and radio-control £80. Batteries and charger £21 (p+p £4.25) from Harrods. J. Charming old-fashioned wooden engine with carriages which attach magnetically, painted in a range of non-toxic colours. About 3 inches high, the engine with three carriages are £7.99 from Eric Snook, 32 The Market, Covent Garden, London WC2 (p+p £1.70).

Wine books

Vintage stuff

FORTUNATELY, most of this year's crop of wine books avoids the boredom of the round-the-vineyard primer, and they are written in an engaging manner. None mora so than Oz Clarke's Wine Factfinder and Taste Guide (300 pp. Webster's Mitchell Beazley £9.95).

Not only is the book's large amount of accurate information to be admired, but also the way it is broken down under headings, such as What do they taste like? and What do I get for my money? It also bas check-lists evaluating quality, price and value for sample winea in every district.

The author maintains his enthusiasm all the way round the world, and his judgments on wines, growers and merchants are generally sound and fair; although he is hard on Burgundy, where standards are improving from the old days of blending and accelerated maturing.

In part I found the book a hard read because I find text in *sans-serif* type tiring to the eyes, especially in two- or three-column setting. The index, vital to a compendium of this size, is almost unreadable. Nevertheless this is an excellent work, that will undoubtedly increase the knowledge and pleasure of serious wine drinkers.

So, too, should Tony Laithwaite's Great Wine Trek (128 pp. Harrap, £10.95). I first met him on a Chianti estate after he had driven non-stop from Calais, a distance of about 800 miles. His unflagging enthusiasm on that occasion still infects this book which is a whistle-stop tour of French vineyards.

Written in an engaging, somewhat breathless style, with a witty turn of phrase, it makes an attractive travelogue, illustrated by his own nostalgic colour photographs and agreeable pen-and-ink drawings.

Nicolas Bel-Frage's Life beyond Lambrusco: understanding Italian fine wine (306 pp, Sidgwick and Jackson, hardback £10.95, paperback £7.95) is a very serious, detailed account of Italy's wines as they are after 20 years of development and improvement since the DOC legislation in 1965. After describing the viticulture, the wine-making processes and the patchy wine laws, the book covers the wina regions.

It adds useful lists of wines according to zone and grape variety, followed by a critical 100-page section on selected growers he believes make exceptionally serious wines, some undervalued, not least in Britain. In the most concise current book on Italian wines, the author shows life not only exists beyond Lambrusco, but also beyond the common-or-garden Valpolicellas, Soaves and Chiantis.

In Simon Loftus's entertaining Anatomy of the wine trade: Abe's sardines and other stories (192pp. Sidgwick & Jackson hardback £10.95, paperback £5.95). I must declare my unsolicited inclusion among those he has chosen to write about. It will appeal most to wine drinkers sufficiently interested to read about some of the personalities and the way in which the trada works, particularly in Bordeaux.

It is by no means uncritical, but shows the wine trada is still supplied and sometimes directed by individuals more concerned to produce and sell good wines at every level than to make profits, essential though thesa are. Not only amusing, Simon Loftus's out-of-the-way wine book adds agreeably to our vinous education.

Much the same, though in a different way, might be said of Asa Briggs' Wine for Sale; Victoria Wine and the liquor trade, 1860-1984 (199 pp. Batsford, £14.95). Under the cover of a history of the Victoria Wine Company, Professor Briggs has produced the elements of a history of the British wine trade and popular wine drinking since 1860, when Gladstone reduced the duty on table wine to 2d a bottle.

Very well researched, the book draws out interesting information from government bodies and shows we did not become a wine-drinking country as Gladstone and others hoped. Only in the past 20 years has wine-drinking begun to take off, as the supermarket chains have shown, while leaving Victoria Wine as the largest wine-selling concern in the country.

In Wine lore, legends and traditions (178pp, Hamlyn, £8.95) Pamela Vandyke Price has compiled something between an anthology and a dictionary of miscellanea associated with wine. The amount of information is impressive and, recorded in conversational, personal style, covering everything from wine myths and varieties to its appurtenances: bottles, glasses, corkscrews, and so on. Full of anecdotes, it makes agreeable, informative bed-side reading.

Webster's second Wine Price Guide (416pp, Webster's Mitchell Beazley, £9.95) edited by Oz Clarke makes a big effort to do what is amost impossible: to show the price brackets in which wines can be bought from just over 100 reputable merchants throughout the country, and quality is the listing factor. For most of the world's wine regions one or two merchants are generally recommended.

The introductory articles on the various types of wine are informative and stimulating, and the details of recent auction prices with the lists of leading wines are useful. However, by the time the book is published some of the wines are likely to be out of stock. Altogethar this seems more of an effective tool of tha trade than of continuing assistance to the general wine-drinking public.

It is scarcely necessary to do more than announce that The World Atlas of Wine, 320pp; Mitchell Beazley, £22.50, the best-selling wine book ever, has just appeared in a third edition, and after comparing it with the two earlier editions to confirm it has been very comprehensively revised.

A light-hearted pendant to these instructional works is Wynford Vaughan-Thomas's How I liberated Burgundy and other vinous adventures (166pp, Michael Joseph, £7.95). Though based on his experiences as a BBC war correspondent in Italy and after the 1944 landing in the south of France, there are many deviations, as far afield as beer-drinking with Dylan Thomas in Swansea.

The main routes are enlivened by hilarious stories that plainly have lost nothing in the telling: not least the account of a Papal audience given to the press corps on the liberation of Rome or the vinous side-effects of the military advance up the Rhône valley.

PROPERTY

Stripped pine's natural habitat

ISLINGTON has never quite lived down the "gentrification" tag it acquired in the early 1960's when many post-Regency houses were rescued from oblivion by enterprising young couples.

The two ground floor living rooms would be knocked into one to provide contemporary open-plan living, the basement became a wine cellar, the attics a nursery suite. Stripped pine reigned supreme.

The village — originally Gislandune, Gisla's Hill, in Anglo-Saxon times — was once renowned for its dairy farms and pure spring water. By 1827 some *Suburban Sonnets* were deploring "unwelcome buildings and unseemly piles."

The borough of Islington stretches from Highgate Hill where Dick Whittington turned again to become Lord Mayor of London, to the borders of the City.

The Labour-controlled council owns some 60 per cent of the 68,000 or so houses and flats in the area.

Rates are high—£2.28 in the £, and some agents do not show the rateable value of a property on their particulars. But the council says resident get plenty for their money. Once a month, over a weekend, every ward has a skip at a particular spot where you can dump household lumber, discarded furniture and hedge-cuttings. In you want to get rid of your old car, they will tow it away. Roads are gritted in the winter, and there are buses to take pensioners to day centres.

There are more than 15 estate agents in central Islington, with Upper Street the most favoured address.

"Competition for business is stiff," says Miss Suzanne Parker, negotiator at Evans Baker in Camden Passage. The firm, with Colin Evans as senior partner, reports a lull in business.

"After the dramatic 30 per cent price rise over the past year, things have stabilised. It is a hibernating market now, gathering its strength for the next push."

Winkworth and Company went into Islington recently, with an office run by Mr Robert Parish at 65 Upper Street, N.1.

"Many Londoners think of Islington only as a fashionable suburb full of Georgian Squares and antique shops, with property way beyond the average pocket."

He insists that it is still possible to find small period places at affordable prices. As an example he quotes a little cottage that was once a coach house, on offer at £49,950.

For first-time buyers who cannot manage the prime prices of Islington proper, he tips Tufnell Park and Finsbury Park as up and coming alternatives.

Conversion of the huge Victorian mansions in these areas is providing the market with good, generously proportioned one to three bedroom flats in the £38,000 to £58,000 bracket.

The company's *Property News* is distributed to 150,000 Londoners. The recent North London supplement indicated that the slide to commercial use of residential properties will stop, because residential value is now outstripping that of business value.

Holden Matthews was set up in May last year by Mr Toby Holden, Mrs Diana Matthews, and Mr Nick Whitaker. All three live in Islington. "We are part of the community. People know us," say the partners, who ferry viewers around in a distinctive white 1950 Ford V8 Pilot.

Current offers range from a pied-a-terre in an early Victorian house in New North Road, £29,950, to an elegant late Georgian house in Alwyne Place, Conservation Area of Canonbury, at £298,000. In Noel Road, a house with gardens going down to the Regent's Canal is £228,000.

The firm has just produced a useful booklet listing contacts for everything from nannies to plumbers, to suppliers of railings, iron staircases and stained glass. (Free from Holden Matthews, 94 Upper Street, N1).

Barnsbury is favourite with agents Hothlack Destalo. Handsome houses with good gardens in Thornhill Crescent and Lonsdale Square vary between £250,000 and £277,500.

Goldschmidt Howland Cassell sells strongly in Highbury. A three bedroom maisonette in a purpose-built block with splendid views over the 28 acres of Highbury Fields, is £95,000 for an 85-year lease.

Milner Square, part of the estate built by the Milner Gibson family of Theberton, Suffolk, was strikingly designed by young architects Roumieu and Gough. Islington historian Samuel Lewis referred to the houses as "handsome" as they went up around 1842.

By the 1930's Milner Square was a slum, with much of the original detail fallen off or removed.

Islington Council acquired the square in 1973 and rehabilitated it.

In the early 1980's local architect Christopher Libby, together with national housebuilders Wimpey, took on the buildings to convert into flats.

After various discussions with the planners, permission was given to demolish and re-build in accordance with the designs of an original Roumieu drawing found in the Royal Institute of British Architects' drawing collection.

'Many Londoners think of Islington only as a fashionable suburb full of Georgian squares and antique shops'

The job architect, Greg Merriman, says it was a complex operation, recreating old buildings using modern technology. Great care was taken to reproduce elaborate window treatments and ornate balconies and balustrading. Yellow stock bricks complement the cream-painted stonework.

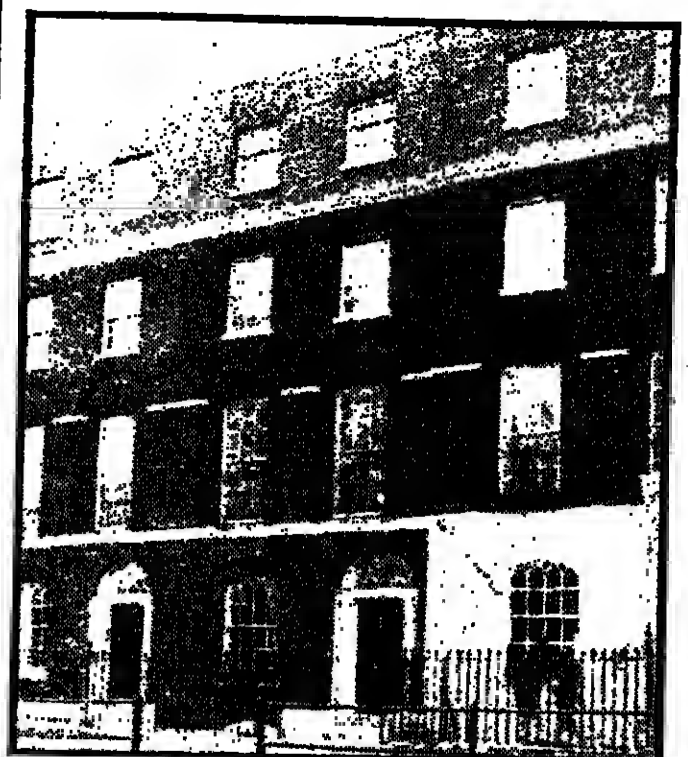
Wimpey sales director Mr David Eaton considers the scheme, now called Waterloo Gardens, one of the company's finest examples of private urban renewal.

Out of 72 apartments only 15 remain for sale—one bedroom flats from £57,750. The studios and two bedroom units were the first to go, followed by the four penthouses from £134,000. Parking space, carpets and a full range of kitchen equipment are included.

The first year's mortgage on the first £35,000 will be paid if you complete by December 20. Brochure from Charles Isaacs, Stickley and Kent, 88 Upper Street, Islington, N1 (01-359 0961).

June Field

Wimpey apartments at Waterloo Gardens, Milner Square, Islington, N1. Details 01-359 0961



A plaque on a five-bedroom, three-bathroom house in Canonbury Square, N1, records that tragedian Samuel Phelps lived there 1804-1878. Stickley & Kent's Islington office is asking £265,000 freehold

PERSONAL

All singing, all dancing: Mauritians perform the Sega, the island's indigenous music

Tropical treasure house

AT LILONGWE you turn left, sweeping over the coastlands of Mozambique, passing high above the lofty mountains of Madagascar and heading down towards the tropic of Capricorn. And there sits Mauritius, scarcely a dot on the map, but a dot on which is housed 1m people, a tiny, polyglot, polychromatic and polyreligious melange that bustles with activity under tropical skies.

Geographically it is tempting to do as many of the travel brochures do and lump the Seychelles and Mauritius together or offer them as similar alternatives. This is terribly misleading. The two could not be more different. The Seychelle islands are a group, with scarcely more than 60,000 people dotted fairly thinly over spectacularly rocky terrain (on the main island, at least). Mauritius is one large island, with a couple of offshore dots and a dependency, Rodrigues, some 340 miles away. It has twice the population per square mile that the UK boasts, and its fertile plains provide vast quantities of sugar for the British market. The Seychelles are more scenic, Mauritius more interesting; the Seychelles more simple, Mauritius more sophisticated.

This sophistication extended, not long ago, to my losing the inevitable few pounds at the racecourse. At the Champs de Mar it does not take long to become sufficiently attuned to local betting techniques (why were the bookmakers all Chinese?) to have your wallet eased open. I must be grateful to the rain on that afternoon that I sometimes had to run faster than the horses (the ones I backed, that is) to escape both a soaking and further financial punishment.

That's another thing about Mauritius: the weather is confusing. The island has considerable variations in wind and rainful, although September, October and November are generally the driest months, December to March the least windy (good news for the snorklers, bad news for the windsurfers). But this is the tropics and rain at any time of the year tends to come in short, sharp bout.

Huge areas of Mauritius are devoted to sugar growing which, while efforts are being made to produce other crops, still dominates the economy of the island. As the harvest nears tall forests of sugar line every road; once the sugar is cut huge piles of stones are revealed in the open fields; they have been gathered from the earth over the years and marshalled like giant anthills as far as the eye can see.

Eucalyptus trees dot the lower ground, planted to soak up water and deter mosquitoes; pine trees have replaced the ancient hardwood forests, now as much part of the folk memory as the dodo; banyans have come in from India (along with the largest single ethnic slice of the population), the casuarines from Australia and flamboyants from Madagascar.

The importation of foreign plant life is an important string in the history of the island and the result can be seen at its best in the Pamplemousses gardens, a treasure house of plants from around the world. The gardens, now a peaceful retreat of bright flowers and green lawns, were started in 1735 as a source of vegetables for the French governor who lived next door. When he moved the land was passed on to Pierre Poivre who was, among other things, an enthusiastic naturalist and agricultural researcher. Mr Poivre started planting trees and bushes from around the globe and experimenting with anything that seemed a likely crop for the island or decorative item for the garden.

The tradition has been maintained over the centuries and the results are a delight—and I speak as one who finds many of these tropical collections, particularly when set in non-tropical climates, as unattractive and as artificial as the average zoo.

The distance of Mauritius from most of the tourism-generating nations, with even South Africa, a big source of traffic, around 1,500 miles away, has kept the "kiss-me-quick" brigade away from the island. This in turn may have helped deter the development of tower-block hotels. Overall the hotel developments are well spaced apart and in themselves attractive, with much emphasis on gardens and water sports. A little less than a quarter of the island's visitors are from South Africa, slightly fewer from France (although more if you include the French island of Reunion). There are normally roughly equal numbers of Britons, Italians, Germans and Swiss, so that visitors find a very broad selection of fellow guests. The Americans have yet to discover Mauritius, and as to whether that is a good or bad thing I will not comment.

More endemic but less accessible Mauritian natural treasures are in its surrounding sea. I am not a fisherman and must take others' words for it that game fishing in the area is as good as anywhere else in the world and cheaper than most. Really deep waters lie only a few miles off shore and the fleet of hire boats, based at Black River, have only a short way to go before the action can start. The season is October to March.

My own tastes extend to the slightly less aggressive business of watching fish rather than catching them. In Mauritius there are remarkable coral gardens and a huge array of fish and shells. Perhaps thanks to the depths of the nearby ocean and the resultant chill of the waters in the winter months, diving without a wet suit is really only advised in the summer (our winter).

But it is neither the sea life nor the scenic attractions which provide the real fascination of Mauritius. For this we must turn to its people. With its Dutch, French and British colonial past, its African and Indian immigrations (one initially as slaves the other as low cost contract labour) and its salting of Chinese, Mauritius presents an extraordinary mixture of people, particularly since there has been a considerable degree of inter-marriage.

The various elements of this concoction reveal their individuality in language, with Hindi, Tamil, English, French, and Cantonese floating across the market air (Creole is the standard language, English the official one); in religion; and in customs. With such a mix the year seems to be one long festival—Hindu Divali (October), Moslem Id-ul-Fitr (November), the Christian Christmas and the Chinese New Year.

I stayed at three hotels, each excellent in their different ways—the Touessrok Sun, which owns a superb little island (Ile aux cerfs) whence guests are ferried for water sports and al fresco meals; La Pirogue, with its thatched chalets and superb gardens and the Saint Geran Sun, set on a narrow peninsula with a central garden where the whistling frogs greet the dusk. All these are Sun International hotels. The group can be contacted in London at 92 New Cavendish Street, W1M 7FA.

There are other good hotels on the island. Several tour operators offer packages to Mauritius, which is by far the best way to see the island. Typical prices range from £1,000 to £1,300 for a 12 night stay. Ask your travel agent for the Kuoni and Sovereign brochures and compare the offerings.

Arthur Sandles

BRIEFS

A NEW winter collection of dude ranch holidays, under the generic title American Round-Up, has been produced using the services of Northwest Orient Airlines. The programme, with offerings in such states as Colorado, California, Wyoming and Texas, has seven-night stays priced typically between £750 and £1,000 and complete with all meals and "ranch activities."

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SWAN National Rentals has extended its weekend break programmes, which include hotels and car rental, to the Continent. Some 14 hotels in 11 locations in France are offered, including Paris. Prices start from £32 each for four adults sharing a Vauxhall Cavalier for three days; this includes the ferry crossing, of course.

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P AND O Air Holidays has produced a series of Taj Weekends for those who have the inclination but not the time for the normal trip to India. In fact, the trips stretch the weekend a little (you leave on Thursday and return the following Tuesday morning), but still cram a great deal into a short stay. Prices range upwards from £585.

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THE DE luxe hotel marketing chain, Leading Hotels of the World, has just accepted its first Chinese property. The White Swan in Guangzhou, with 869 rooms and 58 suites, is on Shamian island and has panoramic views of the Pearl River.

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TOWNSEND Thoresen has considerably expanded its programme of Continental weekend holidays for this winter. The trips are available for one, two or three nights and offer various French and Benelux destinations. Prices range upwards from £25 per person.

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EGON Ronay gourmet weekends are a feature of the new Golden Rail short break programme for the winter months. The offerings also include a "country style" series of trips and some short journeys to Europe.

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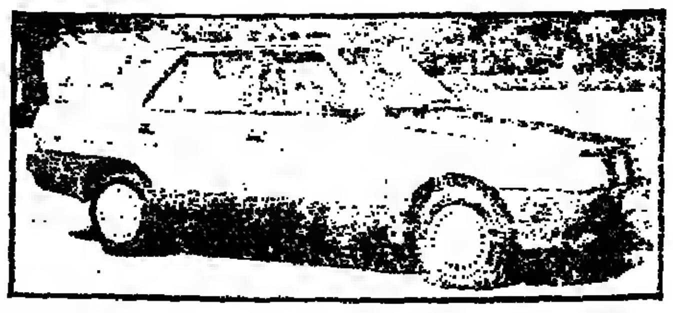
IF THE idea of a holiday in the Falklands is appealing then contact the Falkland Islands Department, Room WH 301, Foreign and Commonwealth Office, 29 Tufton Street, London SW1P 3QL. The lowest public air fare at the moment is £1,250 return, with some restrictions. The Upland Goose in Stanley charge £31 per person per day full board, the Malvina House £28 a day.

Fiat's diesel challenge



Fiat's Regata Diesel Super. Well equipped and good value, but not the most refined in its class

FIAT HAS followed Peugeot's footsteps and introduced a luxuriously equipped diesel saloon for buyers who want to cut fuel bills but refuse to be uncomfortable while doing so.

The Regata DS (for diesel super) has the same specification as the Regata 100 Super: with power-assisted steering, 5-speed gearbox, electric front windows, central locking and a wash/wipe system for its halogen headlamps as standard. The driver's door mirror is adjustable and the rear seat backrest folds 60/40 to let oversized objects into the boot.

Its engine is a 1.9 litre, developing 65 bhp. Fiat says the top speed is 96 mph. This seems reasonable, though I doubt that it will impress many diesel car buyers as much as the fact that the Regata cruises quietly enough at 80 mph for the radio — a stereo/cassette player comes as part of the package — to be enjoyed.

The interior is nicely done, with seats that are plump and supportive; and the boot is large. At £6,860 the Regata DS is competitively priced. How does it compare with the Peugeot 305SRD, its most obvious adversary in the market?

The Regata is cheaper. The 305SRD (this column September 7) costs £7,575 not including power steering, which at £290 extra makes the total £7,865. But it is not quite so simple as that. The Fiat does not have the Peugeot's standard power-operated sunroof or light alloy wheels, which would add at least £600 if fitted post-purchase. Perhaps the Fiat's main disadvantage—for the business user, at any rate — is its engine size. With 1.9 litres under the bonnet compared with the Peugeot's 1.7 litres, it comes into a higher tax class.

Even so, the Fiat is cheaper when the difference in specification is allowed for, which will endear it to private buyers who are not worried about such things as tax breaks. How do the cars measure up against one another on the road?

The Regata DS was not as refined as I had expected. All diesels knock when cold-started, but the rattle disappears as the engine warms up. Surprisingly, the Regata remained rather staccato at normal running temperature, even when pulling hard, which is when most others, the Peugeot included, smooth out. The exhaust, too, was a bit vibrato at times.

Its ride is not as good as the Peugeot's, but this has been an area in which the French have traditionally excelled. The styling is more up to date and the instrument layout far superior. There is not much to choose between either car in handling or roadholding when driven at sensible speeds.

In consumption, the official figures show the Peugeot to be much better in town (44.8 mpg against 39.8 mpg), marginally worse at a constant 56 mph (61.4 mpg against 62.8). At 75 mph, both cars return 43.5 mpg. In practice, I would expect to yield 50 mpg to a driver who is not in a hurry.

Fiat took a long time to decide to get in on the diesel car act in Britain, though it has been marketing them in Europe since 1978, when the 131 Mirafiori—Italy's answer to the Ford Cortina — appeared with a massive 2½-litre engine originally made for light trucks. Barring the 126 and Panda, every Fiat is now made in a diesel version. I have tried most of them and rate the 1.3 litre Uno diesel particularly highly. It could provide real competition for the Peugeot 205, which at present rules the roost in the small diesel segment.

Every year, the diesel car becomes more popular in Britain, though we have a long way to go before we can match its 26.3 per cent market penetration in Italy, 13.7 per cent in France and 12.5 per cent in Germany. In the first nine months of this year, we bought 52,743 diesel cars, more than in the whole of 1984, when 45,382 were registered. This year's total could be 70,000, with 100,000 registrations, perhaps in 1986. In 1980, only 5,828 were sold here.

Eighteen per cent of Britain's fleets run diesel cars now, against only 10 per cent last year. Another factor is repeat purchase. Once you buy a diesel and get used to its reliability as well as lower fuel consumption, you tend to buy another.

Stuart Marshall

BRIEFS

● Diesel fuel does not freeze, but its paraffin wax content may crystallise at very low temperatures, blocking the filter and stopping the engine. Additives get round the problem but the best answer is a heater in the fuel line. Lucas CAV has just introduced the D-Wax 300 fuel heater, which fits between the head and the body of the filter. It is suitable for most diesel cars, comes into operation automatically when needed and costs £15, plus VAT. Details from Lucas CAV at 01-743 3111.

● Two more diesel cars have been introduced to Britain by Colt Car Company. The Mitsubishi Space Wagon and Galant GLX automatic, both have a 1.8 litre engine, turbocharged with an intercooler and are as well equipped as their petrol-engined counterparts with power steering, central locking, tilt adjustable steering and belts for all seats. The seven-seat Space wagon costs £9,295, the Galant automatic from £8,979. Apart from the 140 mph Starion coupe, all Mitsubishi cars sold here are now offered with a diesel option.

● Ford scooped the pool in the Caravan Club's Towcar of the Year competition. In first place was the 2.8 litre V6 engined Sierra XR4x4, with permanently engaged four-wheel drive, followed by the 2-litre fuel-injected Granada fitted with Ford's new 4-speed automatic transmission.

● Stop calling the overtaking lane on motorways the fast lane. The Guild of Experienced Motorists points out that everyone from Minister of Transport Mrs Lynda Chalker to broadcasters and motoring correspondents are guilty of this mislabelling.

The outside lane is not for fast drivers to stay in over long periods, but for overtaking, afterwards returning to the nearside lane.

First past the winning-post

HORSERACING AND RACING SOCIETY
by Jocelyn de Moubray. Sidgwick & Jackson. £12.95. 168 pages

THE FAST SET
by George Plumptre. André Deutsch. £12.95. 176 pages

TALES OF RACING AND CHASING
by Terry Biddlecombe. Stanley Paul. £7.95. 87 pages

THE DUBAI Champion Stakes, run at Newmarket in October, produced one of the most scintillating performances of the flat-racing season. Pat Eddery sitting motionless on Pebbles two furlongs from home while all around him were already hard at work was an unforgettable sight. The presentation ceremony, however, reminded onlookers of the dependence of British racing on foreign investment. The Maktoums, the ruling family of Dubai, put up £50,000 of the £100,000 prize money while the winning owner was Sheikh Mohammed, one of the three Maktoum brothers who since 1980 have played an increasingly important role in shaping British racing.

Mr de Moubray tells us in Horseracing and Racing Society that the Maktoums are certainly not in it for the money—each is reputed to have a weekly income in excess of $1m. However, the author is clearly unhappy about the influence of foreign investors.

Pebbles' performance in the Champion Stakes was ironic in a sense because wealthy owners and breeders seem often to forget that racing is an entertainment industry as well as a commercial operation. The constant search for reward to sustain the massive sums involved in acquiring and breeding potential top-class winners, and the risk of seeing that reward dissipated, does not encourage entertainment. Golden Fleece and Secreto, winners of the Derby in 1982 and last year, ran in only seven races between them.

The author believes that commercialism has got such a grip on horseracing that the industry's structure and purpose are at risk. However, as he says himself, a general collapse is unlikely, although the racing world must move with the times and must be aware that it is an entertainment industry and one that relies on foreign investment.

To put the current state of horseracing in perspective, the author traces how the industry has evolved in the past century—from the early days of the aristocracy, most of whom were owner, breeder and trainer rolled into one, through the era of the entertainer owners, the Aga Khan and the years of French domination, to the present period of crisis.

In spite of the gloom, British racing remains the best and most varied in the world. Mr de Moubray has written an entertaining book that covers a lot of ground and will also stimulate thought.

The Edwardian era is regarded as the most glittering period in racing history when Society, led by the Prince of Wales, Edward VII, adopted the sport as its favourite past-time. In The Fast Set George Plumptre brings a lively style to a lively period. Those fortunate enough to be part of the set ensured that they enjoyed themselves to the full: scandal abounded: reputations and fortunes were made and lost.

The period produced the first and, so far, only Prime Minister to own a Derby winner, the fifth Earl of Rosebery. Colourful characters were to be met by the score. Caroline, Duchess of Montrose, for example, who, thrice married and aged 70, was heard to say: "I never allow any man into my bedroom except Mr Alex Taylor [her trainer], and he is always welcome."

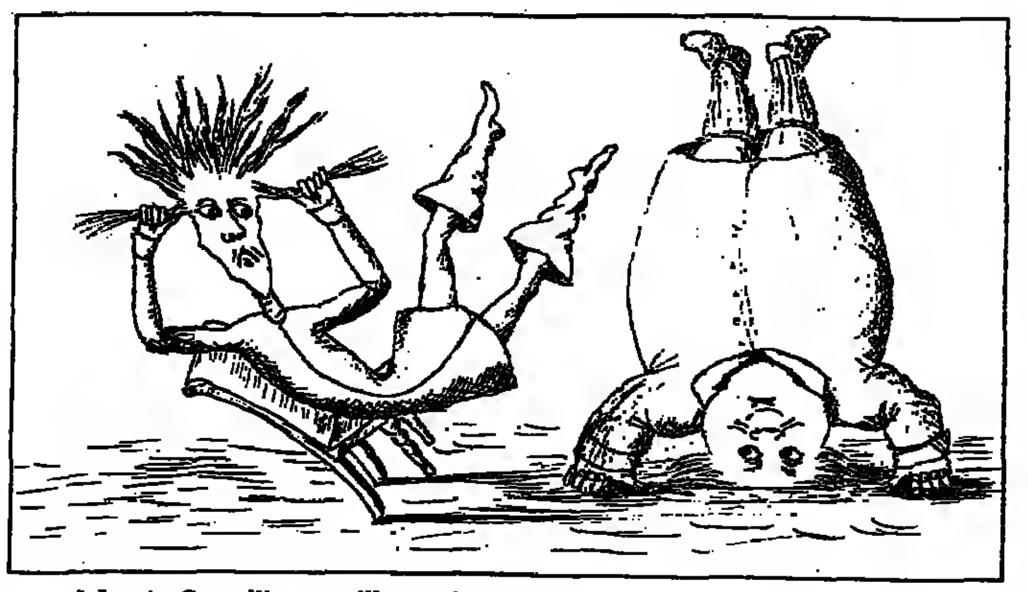
The book contains many fascinating photographs with brief but informative captions. The most dramatic shot captures the moment when a suffragette ran in front of the King's horse in the 1913 Derby. Emily Davison received fatal injuries: jockey and horse survived. It was, as Mr Plumptre says, a tragic manner in which to end the period but at the same time an outward sign of the unrest which was developing and would shatter the halcyon stability of Edwardian society.

Terry Biddlecombe: from the horse's mouth

One feels Terry Biddlecombe, three times National Hunt Champion Jockey in the 1960s, would not have been out of place in the Edwardian racing fraternity. He likes to enjoy himself and does his best to see the funny side of the most embarrassing situations. In Tales of Racing and Chasing, "Bidders," with the help of Jeff Farmer and illustrator Jake Tebbit, makes the most of the opportunity to recount anecdotes about himself and many others involved in the game.

Jeremy Bennallack-Hart

This week's page is devoted to reviews with Christmas in mind



One of Lewis Carroll's own illustrations to "Alice's Adventures Underground," reviewed below

Hockney and high-water

THE DAVID HOCKNEY book boom continues. Latest volume is **Martha's Vineyard and other places: My Third Sketchbook from the Summer of 1982** (Thames & Hudson, £100). This is a facsimile reproduction in a slipcase of the artist's own workbook complete with marbled boards, friends' phone-numbers and two torn-out pages; also a separate limp-backed introduction booklet based on conversations with Hockney in which he explains how he relies on the preliminary off-the-cuff sketch. The ones reproduced here, portraits, interiors, landscapes, are typical in their wild exuberance and colourful immediacy. A steep price, but fascinating.

To set up a London version of The New Yorker is a recurrent dream—or nightmare—among magazine publishers. Briefly, before world war two, the dream became a reality in the pages of **Night And Day** edited by Graham Greene and John Marks. Its life-span was weekly from July to December 1937, terminated after a libel suit, filed on behalf of the child film-actress Shirley Temple. While it lasted the magazine fizzed. "Here you will find Miss Elizabeth Bowen reviewing the theatre," declaimed the first editorial "while Mr Evelyn Waugh does books, Mr Graham Greene looks at the films, and other critics purr or wince at the offerings of Fashion, Art, Sport, etc." An anthology of this period-piece has long been overdue and now we have it in the original illustrated format, edited by Christopher Hawtree (Chatto & Windus, £12.95, 278 pages).

Past Christmases have brought several books containing those dice and board games that helped to while away leisure-time in the pre-television era. This year in **The Great Games Book** (A & C Black, £5.95) we have 14 specially invented new board-games by various ingenious hands. Well, sort of new—it is difficult to think of a really new game, but even the old ones here are charmingly re-fashioned; for example, Ludo Park arranged in the manner of a formal garden, by Angela Barrett. Dice and counters are not provided.

Alice watched a mad croquet game and a strange form of chess but nothing so innocent as Ludo. Now we have a facsimile of Carroll's early manuscript version of **Alice's Adventures Underground** (Pavilion Michael Joseph, £9.95) in his own beautiful calligraphic script and his drawings which to my eye are superior to Tenniel's. All that, plus an introduction by Mary St Clair, Alice Liddell's only grandchild, makes the book a must for Wonderland enthusiasts.

Carroll used to receive a great many letters from children to which he patiently replied: so, too, did that later Oxford don who became most famous as an author of fantastic stories C. S. Lewis. **His Letters to Children** have just been published edited by Lyle W. Dorsett and Marjorie Mead (Collins £6.95, 120 pages). Unlike Carroll, C. S. Lewis sometimes offered a thumping literary judgment: "Dear Martin . . . congratulations . . . on escaping Cicero who, to my mind, is the greatest bore (except possibly Ben Jonson, Launcelot Andrewes, and Mrs Humphry Ward) of all authors whether ancient or modern."

Another Lewis, well known in the world of children's books, Miss Naomi Lewis, has come up with a poetry anthology, **Messages** (Faber and Faber, £7.95, 255 pages), full of good things and clearly the product of wide, eclectic reading in this field.

By contrast most of the poets in Donald Hall's anthology, **The Oxford Book of Children's Verse in America** (Oxford, £15, 319 pages), will be unfamiliar to British children and their parents, but nonetheless they should prove enjoyable. The tradition is a longstanding one and it is nice for us to be presented with it.

Schoolchildren no longer have to learn poetry by heart as part of their education, but one or two places still have competitions for verse-speaking before an audience. I did not notice a photograph of the annual Declamation Prize in Mark Dixon's **An Eton Schoolboy's Album** (Debrett £10.95), but many other aspects of the life of the place are caught by the camera of a boy who finished there in 1980.

An attractive approach to Shakespeare these days is the comic-strip where the poet's verse balloons out of the pictures. The latest is a vivid art deco **Midsummer Night's Dream** illustrated by Von (Michael Joseph, £5.95). Meanwhile, **Shakespeare in the Public Records** (HMSO £2.95, 40 pages) contains all those documents relating to the bard held in the PRO, photographed, transliterated and explained. Even now the experts are not in complete agreement as to how the plays were actually staged. Some of the most recent research on this is contained in R. A. Foakes's **Illustrations of the English Stage 1580-1642** (Scolar Press, £35.00, 180 pages) a handsome and illuminating tome.

Finally, the editor of The Saturday Book which no longer appears, alas, has had the interesting idea in **Every Picture Tells a Story** (The Herbert Press £10.95, 160 pages) of an anthology of those Victorian paintings, such as Orchardson's Trouble, which make one ask what happened to the people depicted. Each painting chosen is reproduced on the left-hand page and Mr Hadfield adds his comments on the right. Sometimes the story is self-explanatory and sometimes it can be interpreted in a variety of meanings. A long way from Hockney — or is it?

Anthony Curtis

For Children

Pigs, rodents and boys

AN INTRIGUING mix of realism and fantasy is the key element in one of the most outstanding young children's picture books for some time: **I'll Take You To Mrs Cole** (Andersen Press, 32 pp, £5.95), by Nigel Grey with exceptional illustrations by Michael Foreman. The central character is a lonely, imaginative boy who lives with his mother in an inner city tower block.

The book's title is the threat used by his mother every time the boy misbehaves; Mrs Cole is a wild-looking creature who inhabits a tumbledown house with an assortment of ragamuffin children. Does Mrs Cole cook her offspring in stews? Does she force them to work and whip them to keep them awake?

No, of course she does not. The boy's fantasies about the family and his eventual encounter with them is a witty delight and the illustrations, gradually suffused with warmth as the story develops, are masterly. One very small quibble: the cover rather gives away the ending.

Rumer Godden's seasonal tale **The Story of Holly and Ivy** has been reissued by Julia MacRae (32 pp, £6.25) with charming illustrations by Barbara Cooney. First published in 1957, it tells the touching story of an orphan girl and a lonely doll brought together by love on Christmas Day.

The same publisher has produced an attractive edition of the classic poem **The Night Before Christmas** (26 pp, £4.95) by Clement Moore with affectionate Victorian-style illustrations by Anita Lobel.

A seasonal tale with a difference is **Spirit Child** (Hodder and Stoughton, 30 pp, £5.95). An Aztec version of the nativity story, translated by John Bierhorst, it is illustrated by Barbara Cooney.

The Miracle Child (Collins, 32 pp, £1.95), is an unusual book about the Ethiopian saint Tekla Haymanot. The colour illustrations are from an 18th century manuscript and the story is told by Elizabeth Laird with Abba Aregawi Wolde Gabriel. Profits go to Oxfam's Ethiopian Famine Appeal.

For children who prefer to be scared rather than wooed by words Jean Richardson has selected **Cold Feet**: an anthology of Scary Stories (Hodder and Stoughton, 128pp, £6.95). Animal lovers will enjoy **Pet Stories for Children** (Faber and Faber, 190pp, £5.95). Edited by Sara and Stephen Corrin with illustrations by Jill Bennett.

Animal books are always popular and this year's batch of books features a considerable menagerie. Inga Moore's **The Truffle Hunter** (Andersen Press, 25pp, £5.95) uses exquisite pastoral pictures alongside the biography of Martine, the town pig who infuriates her master by her inability to sniff out the edible black fungus. He abandons her in the Dordogne woods and there she learns the secret of truffle hunting, and finds true love.

A small mongrel is the heroine of Jilly Cooper's **Little Mabel Saves the Day** (Granada, 32pp, £4.95). This comic tale of a city dog's eventful country holiday is illustrated by Timothy Jaques. Bob Graham's **Libby, Oscar and Me** (Blackie, 33pp, £5.50) is the simple story of a little girl, who likes to think she is a mistress of disguise, and her cat and dog companions.

Airy, delicate farmyard pictures by Agnes Mathieu illustrate Ingrid Ostbeeren's **Jonathan Mouse** (North-South, 23 pp, £5.95). The dictum "you are what you eat" is given a new meaning when the eponymous rodent falls under a spell and assumes the colour of his most recent meal; carrot orange, cabbage green and forget-me-not blue. A gentle, funny book only slightly marred by the American spellings ("color" "gray") which could confuse new readers.

A boy tries to teach a small bird how to fly in **The Fledgling** by Petra Szabo (Hutchinson, 27 pp, £5.95) after learning that human contact will ostracise the creature from its own species. After days of false starts and disappointments, the boy hits on the ingenious idea of using his kite to train the fledgling.

A human companion is **Hemi's Pet** (Angus and Robertson, 25 pp, £4.95). A boy enters his younger sister in the school pet show. Despite protests from his classmates ("she doesn't have four legs," "neither does the budgie") they come away with a prize for originality, not to mention sentimentality. The text is by Joan de Hamel and the clever, hazy pictures by Christine Ross.

This year's novels for older readers include a reissue of **The Mystery of the Colonel's Clock** (Goodchild, 191pp, £6.95), by the Carnegie Medal winner Philip Turner; Robert Cormier's **The Chocolate War** (Gollancz, 253pp, £7.95), a compelling contemporary school story; and Connell Bernard's attractively presented reminiscences of his childhood on the Welsh borders, **Now the Day is Over** (Viking, 176pp, £8.95).

The most exciting contemporary novel for the 11-plus age group comes from the American journalist Nat Hentoff. **The Day They Came to Arrest the Book** (Angus and Robertson, 169pp, £6.95), is essentially a book about ideas; about civil liberties and about the conflict between freedom of speech and freedom of the individual. Set in an ordinary high school, the book describes moves by anti-racist groups and the moral majority to ban Huckleberry Finn from the library shelves. The arguments are lively and exacting but never overwhelm the pacy narrative nor the snappy humour.

Annalena McAfee

Next week: My Book of the Year
Critics' choices

Photography

Guns through lens

ROBERT CAPA was labelled "the greatest war photographer in the world" in 1938 after spending just over two years on the battlefields of Spain and China. His career ended 20 years later when he was blown up by a mine in the French Indo-China war. By then he had covered the Spanish Civil War, the Japanese invasion of China, the Second World War and the Israeli War for Independence. He was famous as the man who always got the best pictures because he took the greatest risks, photographing in the very midst of battle.

But his sister, Cornell Capa, and his biographer, Robert Whelan, who have edited **Photographs** (Faber and Faber, £15.00), a collection of 262 examples of Capa's work, stress that it was people, not war, that interested Capa most. In addition to the shots taken in the heat of battle there are equally memorable ones showing people on the fringes of the action — faces on a departing troop train, a chess game behind the lines, and the civilian population, refugees, collaborators, children—pictured amidst the devastation that war has wreaked on their lives.

Capa was an attractive and likeable man whose friends included Ernest Hemingway, John Steinbeck, Gary Cooper, Gene Kelly, John Huston, and Pablo Picasso as well as his distinguished colleagues, Henri Cartier Bresson and André Kertesz. The story of how Capa, son of a middle-class Jewish Hungarian family, arrived in Berlin alone and penniless at the age of 17, exiled for political agitation, and went on to become one of the greatest photographers of his generation is told by Robert Whelan in an absorbing biography, **Robert Capa** (Faber and Faber, £15.00). He was a brave and compassionate man with great charm and a wry sense of humour. Whelan's account of the risks he took to get the best pictures makes exciting reading which is balanced by descriptions of the long weeks Capa spent hanging around in London, Paris or New York.

The war photographs in **To the Bitter End** (Viking, £12.95) were often, like Capa's, taken in the midst of battle, but this time chiefly by amateurs. Emanoel Lee has written a history of the Boer War around his own collection of contemporary photographs, most of which are previously unpublished. The Boer War (1899-1902) coincided with the introduction of the Folding Pocket Camera, the Kodak Brownie, and Eastman's famous slogan "You press the button, we do the rest." Many soldiers carried their own cameras for the first time in that war, and the results, while sometimes imperfect, give a vivid human perspective to Dr Lee's very readable history, emphasising the chaos and improvisation which are an inevitable part of any war.

Photographs (Hamish Hamilton £12.95) by Prince Andrew has been greeted by some quite unnecessary sneers and dismissed as a collection of amateur apprentice work. It does not pretend to be anything else, and in spite of a wish to the contrary expressed in Prince Andrew's modest and amusing introduction, his unexceptional photographic efforts become quite disproportionately fascinating simply because they are taken by a member of the Royal Family.

As Prince Andrew himself acknowledges, this gives him all sorts of privileges, not only licence to photograph the royal collections and climb all over the roofs of the royal palaces, but also the chance to borrow Mummy's Hasselblad. I imagine that a vast number of people with no interest at all in photography would be very pleased to find this among their Christmas gifts.

Portraits of the British Cinema — 60 Glorious Years (Arum Press, £17.95). Authors John Russell Taylor and John Kobal have raided the archives of the British film industry to assemble this extensive collection of publicity stills and portraits of British stars. They concentrate on the 1930s, 1940s and 1950s, heyday of the glamorous studio portrait. Merle Oberon, Charles Laughton, Leslie Howard, Vivien Leigh, Diana Dors, Dirk Bogarde and many more stars are pictured at their very best. The background history is explained in a well-researched text which adds greatly to the interest of the photos.

Special Effects (J. M. Dent, £12.95) by Robert Haas approaches its topic through the work of an international selection of accomplished and innovative photographers — Robyn Beeche, Irving Penn, Joel Meyerowitz, David Hockney and Haas himself, among others. Haas argues that Special Effects should be seen as an integral part of a great photograph rather than merely a gimmick to be copied mechanically. The illustrations, in both colour and black and white, prove this point well. This is not really a "how-to-do-it" manual, although techniques are explained in broad terms, but it is more a survey of current technical practices set firmly in their artistic context.

Alannah Hopkin

Theatre

Who played what and why

THE PUBLICATION of **A History of the Theatre** by Glynne Wickham (Phaidon, £25, 264 pages) is a handsome reminder of the debt we owe the first Professor of Drama in Britain. Wickham's Bristol University department now has many lively counterparts and the academic study of theatre has resulted in a steady flow of invaluable editions and studies over the past 15 years. **The Everyman Companion to the Theatre** by Peter Thomson and the late Gamini Salgado (Dent, £15, 458 pages) is a good example of lively scholarship blended with practical appreciation.

Each of these books would make an ideal Christmas gift for the budding literature or drama student. Wickham's format is predictably familiar, tracing the roots of theatre through its ritual and Oriental origins through the centuries of European patronage to some rather hastily compiled observations on Grotowski, William Poel, the OUDS and the fringe (characterised by "a lack of a sense of occasion"). Such books always start with pictures of country mummers, Balinese witch doctors and the regulation snap of the Dionysus theatre in Athens. But Phaidon's design and presentation are exemplary, Wickham is a lucid and informative communicator, and there are 16 pages of sumptuous colour.

A more flexible approach, albeit unillustrated, yields more luscious fruit in the Companion, which will be a fixture on any drama critic's desk. The text is divided into sections on chronology, theatres and genres, people, and a wonderful miscellany of such headings as "Murdered actors" (including John Wilkes Booth, Ramon Novarro, Sharon Tate), "Pong" (which means to continue to speak in blank verse when you have entirely forgotten your words), and "Hernia Whittlebot" (the pen-name under which Noël Coward published his earliest verse).

Thomson and Salgado are more up to date than Wickham, offering astute encapsulated essays on modern masters and pretenders — Planchon, Stein, Nunn, Griffiths and Barker, although "Robert Wilson" turns out to be the Elizabethan actor and playwright, not the enigmatic American prophet of the 1970s avant garde.

Picture books charting the careers of our leading actors can be serviceable stocking fillers and although Robert Tanitch's **Olivier** (Thames and Hudson, £12.95, 186 pages) is less good than Melvyn Bragg's tribute last year, it would complete a record of achievement taken together with Olivier's own autobiography and John Cottrell's unsurpassed 1975 biography. Two enjoyable celebratory studies of Alec Guinness and John Gielgud by John Russell Taylor and Gyles Brandreth have been reissued in soft back (both Pavilion, £6.95, 186 pages), both lavishly illustrated and attractively compiled.

The late lamented Leonard Rossiter is fit company for those great names and **Leonard Rossiter** by Robert Tanitch (Robert Royce, £9.95, 191 pages) is worthy of his memory, interleaving pictorial material with appreciative critical comment from colleagues in theatre and television.

Simon Gray's **An Unnatural Pursuit** (Faber, £10.95, also paperback £4.95, 244 pages) is a wonderful production diary of a tortured, paranoid playwright. It is far more interesting, in fact, than the play whose evolution and demise it charts. Gray sees enemies everywhere, long before he reads the bad notices for The Common Pursuit at the Lyric, Hammersmith.

Gray is a writer of mordant wit and considerable elegance and not least of the joys here is the portrait of Harold Pinter, his director, an untouchable in black.

Michael Coveney

Rex Whistler's flowing line

THE LAUGHTER AND THE URN: THE LIFE OF REX WHISTLER
by Laurence Whistler.
Weidenfeld & Nicolson, £14.95. 322 pages

A BIOGRAPHY written by a close relative offers an ambiguous perspective; part autobiographical, privy to certain intimacies but debarred from others. Laurence Whistler was the younger brother by six years; 16 months separated Rex from Dennis, the eldest, who died of pneumonia aged 11. It took many years for the two remaining brothers to grow close and even then, despite Rex's constant generosity (towards his elderly parents too) some rub remained; it surfaces in these pages. Using the metaphor of the chair-lift, Laurence Whistler describes himself hoisted into the chair behind Rex. "But mine showed signs of stalling from the first, and I have been trudging downhill through the snow ever since."

The parents' marriage took place against a background of disapproval (trade dirtying pedigree); and from his late teens Rex moved in milieux both socially and artistically demanding. After a disastrous start at the Royal Academy Schools he went to the Slade, where the benevolent Professor Tonks watched over him. Problems could be foreseen for his immensely able student, since "social engagements play so large a part in the artist's life." It was no accident that when Rex went to the British School in Rome and found himself almost unable to work, he made a contact who helped him break his block. Lord Berners, address No. 3 The Forum, took Rex up, encouraged, entertained and ferried him around.

Rex Whistler was 20 when he painted the Tate Gallery Refreshment Room murals for Lord Duveen—the job obtained for him by Tonks. From then until the war, he divided his time between murals, book illustration and stage design. He failed to become a war artist, being judged insufficiently serious. He died on active service in Normandy in the last months of the war. Ironically, his particular talents, speed of execution, extraordinary visual recall and razor-sharp powers of observation suggest the ideal war artist.

This biography describes a rather chameleon-like figure; clearly homosexual (undoubtedly so, his girl friends agreed), yet staging a number of very public love affairs—beginning with Tallulah Bankhead, an ambitious start for an utterly inexperienced 20-year-old. The members of his social set were uniformly rich and often titled; his bulwark the curious friendship, begun at the age of 19 he made with a woman more than 30 years his senior; Edith Olivier—intelligent, a snob and utterly devoted to him for the rest of his life. Her house, near Wilton House, became home and her influence greater than that of his own mother—of whom she was dismissive ("a kind, pretty governess"). She was disgusted by his father ("an awful little clerk" . . . "Rex cannot be his son") and alarmed by Laurence's adolescent socialism ("it made me hate him").

In Rex's and her circle, such judgments (made in the privacy of her journal) were the norm. It was an élite world, obsessed with trivialities and peopled with some remarkably unpleasant characters. A few exceptions, such as Lord Anglesey (who commissioned the dining-room murals at Plas Newydd), shine through. There are moments in this biography when the vacuous charm, the posing and the unremitting partying wear thin but, finally, Rex Whistler's light-heartedness and humanity, in the harsh contrast of wartime, bring their justification of his attitudes.


The gardener in the hot-house: one of Rex Whistler's drawings for Harcourt-Smith's story, The Last of Uptake

Virginia Woolf characterised him as "steamy, grubby, inarticulate Rex Whistler"; he emerges as the opposite. Perfect dinner guest, too eager to please but above all a man who never pushed himself, in life or art, into the fray. The melancholy of that realisation was not lost on him. This is an oddly written book — "That Sunday the light was truly spanking in patrician trees around the house." is no more disconcerting than many other sentences — it is often inconsequential, but also poignant; it suggests the closing of a hitherto unfinished episode.

Gillian Darley

All change City

THE SQUARE MILE: A GUIDE TO THE NEW CITY OF LONDON
by John Plender and Paul Wallace. Century. £9.95. 246 pages

ONE OF THE most radical and irreversible changes brought about under the leadership of Mrs Thatcher has been more a matter of accident than of design.

Exchange controls were lifted in 1979 as part of a broader strategy designed to deal with the impact of North Sea oil on the economy. Four years later, when the Government agreed to release the Stock Exchange from the snares of the Restrictive Practices Court in exchange for an end to fixed commissions, the agreement was widely condemned as a sell-out by the Conservatives in favour of their City friends.

Yet these two changes have led to a fundamental upheaval in the structure and character of Britain's financial community. Taken together, they have broken down rigid and long-established barriers between different segments of the national and international financial markets. Cartels which had been preserved since before the First World War have crumbled away in the space of a few years.

The changes have been so rapid and comprehensive that even some of those most directly involved have lost sight of the big picture. For most people, the City revolution is little more than a newspaper cliché. Yet its repercussions will be widespread. The City, which had been one of Britain's few success stories in recent decades, is facing a period of great uncertainty and risk. The British system of investor protection is having to be restructured more or less completely. If things go wrong the damage will not be confined just to a handful of City slickers.

The Square Mile: a Guide to the New City of London, is modestly described by its authors as an interim guide rather than a definitive vade-mecum. Its great value is that it sets the reforms in the context of recent history, of the international pattern of financial deregulation—and of the advances in technology which have made the whole thing possible. The book is up to date —taking in events up to this summer—and far reaching, covering Lloyd's and the Eurodollar market as well as the Stock Exchange and the newly-emerging financial conglomerates.

Like any good book on the City, it is rich in fruity gossip—such as the story of how Midland Bank came close to buying the broking firm of Simon and Coates, apparently without knowing that its merchant banking subsidiary, Samuel Montagu, was well on the way to tying the knot with W. Greenwell. And even when they are not bang up to date, the authors' judgments are always interesting.

On Lloyd's for instance, they suggest that the new constitution introduced in 1982 may be fatally flawed. Most of the real power still lies with the professionals, yet the driving force for reform has been an outsider —Mr Ian Hay Davison, the independent chief executive, who was backed by the authority of the Bank of England.

This outcome they write was certainly not intended by Parliament. It must be questionable whether it is the best way to regulate Lloyd's since the Bank of England, unlike the Department of Trade, is simply not equipped with the resources and expertise necessary to monitor the insurance market.

Mr Hay Davison, who handed in his resignation earlier this month may silently concur.

Overall, though, the authors' view of the City revolution is somewhat uncertain. On the one hand, they recognise that change was inevitable if London was to remain an important financial centre. On the other, they seem to fear that the risks may outweigh the rewards:

All the historical precedents, [they comment gloomily] suggest that deregulation has an awkward habit of pushing up interest rates, blowing down financial conglomerates, and bowling out the regulators who are caught on the wrong foot by the rapid pace of change.

They may be right, and it is certainly true that the impact of deregulation has a habit of rippling out in all sorts of unexpected directions. Over the longer term, though, markets which are more competitive and more transparent than they have traditionally been in the City of London ought to be better places in which to do business.

Richard Lambert

Records


Alastair Muir

"Les Misérables" ends its run at the Barbican tonight, but transfers to the Palace on December 4

Take a musical spin

One of the things the French are not renowned for is musicals. Popular culture stops at the operetta and dives straight thence to jazz, pop and the cinema. Which is just one reason why Les Miserables (Safari Records Encore 1 or, in the original 1980 French version, TREMA 310 196) is so remarkable.

All sorts of heartfelt snobberies and misgivings have been aired over this rousing, spectacular musical of which the recording is released to coincide with the opening at the Palace Theatre next month (on December 4) after its Barbican season. Reviewing the first night, I ventured that the music sounded like Verdi crossed with Andrew Lloyd Webber. There are Veedian aspects to Claude-Michel Schonberg's score —as Colm Wilkinson's wonderfully poignant "Bring Him Home" confirms—but the two-record Safari album points up lots of indigenous Gallic oompah, as well as a top class torch song, "On My Own," skilfully handled by Frances Ruffelle.

That song may have prompted a recent remark that the show sounds like Jaques Brel writing for Shirley Bassey. Well, you may sneer in agreement, but I like the idea of that combination. The Act One finale "One Day More" is exciting still, and Herbert Kretzmer's new lyrics bear a second hearing, especially in the Thénardiers' "Master Of the House."

Roger Allam's Javert sounds over-theatrical on disc, but that is because he has less recording studio experience than the admirable Mr Wilkinson or, I imagine, Michael Ball whose superby sung Marius has been under-appreciated. The French version has a fruitier coarseness about it, especially in the brass section. But that is just a single album taster.

There is nothing coarse, or fruity, alas, about the album of the current West End revival of Gigi (Safari Records Gigi 1), the only item in this batch to be a non-digital recording. Lerner and Loewe's 1958 screenplay was a Broadway flop in 1973 and a lukewarm success in London this year. The singing here is execrable. Geoffrey Burridge, for instance, quite under-equipped for the emotional and musical complexity of the title song in which he notes Gigi's transformation and toys with his response to it. "Thank Heaven for Little Girls," sung by Jean-Pierre Aumont, sounds merely smutty, the rest of the score either tinny or Palm Court or frequently both. "I'm Glad I'm Not Young Anymore" is a ghastly and depressing acknowledgement of defeat.

More ebullient and cheerful is Me and My Girl (EMI EJ 240 301 1, also cassette), the "Lambeth Walk" musical that has lit up the Adelphi all year and catapulted Robert Lindsay into the Michael Crawford musical comedy class. You would only buy this record if, like me, you had enjoyed the show: it is not an indispensable collector's item, but a radiant memory-jogger.

Without Stephen Sondheim, the Broadway musical theatre would be in a parlous state. The point is well illustrated by Big River (MCA—6147, also cassette and CD), a tedious folk/country score by Roger "King of the Road" Miller which won no less than seven 1985 Tony awards: Sondheim lay low this year, so there was no one else to honour. Big River is a Huck Finn hoe-down, competent but desperately unoriginal in its use of blues, Dixie, jazz and gospel idioms. The album is well-produced, with notable singing from Ron Richardson as the slave Jim.

I would be surprised if Big River came to London. La Cage aux Folles (RCA—BL 84824, also cassette) by Jerry Herman and Harvey Fierstein certainly will, opening at the Palladium next May with George Hearn and Denis Quilley. This is a rumbustious score for a musical not without structural weaknesses but "I Am What I Am" and "The Best of Times" are already showbiz standards. The film, though, was more delightful.

Also slated for London in May is the computer rock pop opera Chess (RCA PL70500l2), two records, also cassette and CD) by Tim Rice and Abba singers/composers Benny Andersson and Bjorn Ulvaeus. The London Symphony Orchestra, conducted by Anders Eljas, is wasting its time with most of the score which is heavy with flatulent orchestral writing, cinematic schmaltz and second-rate Lloyd Webber recitative. But the story of love among the chess champs has theatrical possibilities and draws on the now dated East/West confrontation of Spassky and Fischer. Korchnoi's defection is in there too. Will Mr Rice update further to capitalise on the last championship?

Prospective punters familiar with "Bangkok" (they were even piping that through the foyer of my Sicilian holiday hotel in April) and the show's one outstanding item, "I Know Him So Well" (Elaine Paige and Barbara Dickson reflecting in lyrical rivalry on the Russian wizard they share) might feel let down by the rest, but not by Murray Head's performance nor, to be fair, by a fair percentage of the lyrics. Denis Quilley pops up here, too, as a Soviet second.

Also coming some time next year is Stephen Sondheim's 1971 Follies recorded in concert in New York this September (RCA DHC2—7128, two records), André Gregory of all people hosting the bitterly nostalgic reunion of old hoofers —Elaine Stritch, Carol Burnett, Lee Remick, Liliane Montevecchi and Barbara Cook whose "Losing My Mind" is the best version yet.

The sycophantic audience in the Avery Fisher Hall is a bit much, as are the over-the-top programme notes that always accompany such self-congratulatory hoo-lights. Stritch's "Broadway Baby" is a disaster, not a patch on Julia McKenzie's stunning version that surfaces on another of record producer Thomas Z Shepard's recent blockbusters, A Collector's Sondheim (RCA CRL4 5359, four records, also cassettes). If you have Funny Thing, Anyone Can Whistle and the other main Sondheim shows, you do not need the Collector's. It sounds like a buff's paradise; in fact, it is an ideal introduction to the most gifted and ingenious musical theatre writer of our day.

This record review is rapidly turning into a West End preview. Sondheim's Sunday in the Park with George (RCA HBC 1—5042), a brilliant meditation on the Seurat painting "La Grande Jatte" is also heading for London next spring. Sondheim dabbles in the equivalent of musical pointillism both to create an emotional narrative behind the picture and to extend his own range. The effect is breathtaking and the Broadway performances here of Mandy Patinkin and Bernadette Peters are an object lesson in musicianship and technique.

Michael Coveney

Theatre

Gone to the docks

IT IS a far cry from the Hayward Gallery to the Royal Victoria Docks; the "Homage to Barcelona" binge took an unexpected east-bound turn for the worse on Thursday night with a presentation by the Institute of Contemporary Arts and the London Docklands Development Corporation of La Fura Dels Baus ("Vermin from the sewers") in Shed 4 on the Tilbury tundra.

Shed 4 boasts, they say, the largest unsupported roof in Europe. It was indeed an awesome sight for the cheerful few hundred shivering trend-spotters disgorged from the Dockland Clipper buses which had ferried us from the ICA. You could have run a mile and still not bumped into a fellow participant. Flames at floor level flickered along a central aisle: all very ritual, very Café La Mama in their mid-1970s Trojan Women phase.

We milled around, smiling nervously at a management that "all materials used are inoffensive and washable." A band appeared on a raised platform playing heavy old-fashioned rock. Suddenly a naked figure materialised covered in mud. Like some dreadful performance artist, this creature splashed one or two of us, glared into the middle distance, tipped a barrel of sawdust over himself and proceeded to eat half a dozen raw eggs, shells and all.

Another nude sawdust groveller was working another part of the house. Then a gang of urban vandals leapt on an old car and smashed it to pieces. This was frightening but not half so terrifying as a series of explosions that rent the air, perforated my ear-drums and sent me scurrying in search of the sewers lately vacated by the mud-covered vermin. I bumped into an American restaurateur friend of mine. The bangs were beautiful, she thought, but there had been a hitch: "I got spat on in a big way," she moaned, "by a performer. That was a low point in my enjoyment."

The nude embryos could be spied wielding flaming torches up in the famous roof. They then tested the structure by slithering down a trapeze wire and bursting blood bags all over a large plastic sheet. By this time, buckets of paint had also been upturned as a sonic boom engulfed the warehouse. Now it was all a bit like a 1960s happening and your correspondent really did feel like going home. After an hour, home we went, traversing tragically unexploited acres of Shed 4 while the Catalan confidence tricksters planned next week's assault on Modena and Milan. (Last performance in desolate dockland tonight.)

No sign here of that pagan joy and communicative bravado we so appreciated when the Catalan Els Comediants graced the summer LIFT festival: this was pretentious, old-fashioned and decadent. The previous event in Shed 4 was a rugby club dinner attended by 6,000. One day, Shed 4 might see a similar number at a great theatrical occasion. But not before a few pep talks, scrum downs and substitutions.

Michael Coveney

Solution to Chess No 595
1 Q-K8. If 1 . . . K-B3; 2 Q-K7 or K-R3; 2 Q-N6 mate. If 1 . . . K-R2; 2 Q-B7 ch and mate by 3 N-N6 or 3 Q-N6.

Music

In Britten tradition

THE NAME of Faber & Faber is such a prestigious one in British book publishing that the existence of its musical sibling is sometimes overlooked. Yet Faber Music is thriving and celebrating the 20th anniversary of its foundation with a birthday concert in the Wigmore Hall last night (to be reviewed on Monday) and the publication of a collection of interviews with 20 British composers by Paul Griffiths, New Sounds, New Personalities. The selection includes six Faber composers: Jonathan Harvey, George Benjamin, David and Colin Matthews, Oliver Knussen and Nicholas Maw. Malcolm Arnold, Robert Simpson and Roger Smalley are among the other names now in the catalogue, and altogether they represent a significant chunk of British new music.

The company began, though, with Benjamin Britten. He had long cherished the dream of having his works published by Faber & Faber, which he associated with writers of the 1930s, such as W. H. Auden, with whom he had worked. In the early 1960s he grew disaffected with his publisher of nearly 30 years' standing, Boosey & Hawkes, and persuaded Faber to take him on. Donald Mitchell, a Britten enthusiast and one-time Boosey employee, was hired to take charge of the new enterprise which started in the smallest way—just Mitchell and a secretary. Its output was similarly modest: the first score to be published was Britten's Guitar Nocturnal, followed over the next few years by works such as The Church Parables.

The bread and butter of any music publisher's revenue is its back catalogue. Where a long-established company like Boosey & Hawkes, for instance, has much of the music of Stravinsky Bartok and Richard Strauss under its control to provide the wherewithal for new projects, Faber has had none of that, and has been compelled to move forward more circumspectly. It remains a small concern, with Mitchell as company chairman. He observes, rather ruefully, that one work in the catalogue like Britten's Young Person's Guide to the Orchestra (from his Boosey & Hawkes period) would have done much to ease the way, but at the same time he is proud of the fact that Faber is still unusual among music publishers in being run by musicians rather than accountants.

Nevertheless, along the way the company has had its money-spinners. Raymond Leppard's performing editions of Baroque operas by Monteverdi and Cavalli have, despite their controversy, brought in good royalties; so more recently has the score of Andrew Lloyd Webber's Cats. And if Britten's later works lack the large-scale popular appeal of some of his earlier music the series of early pieces unearthed and published since his death in 1976 have both forced a significant revision of our ideas about the young composer's development and have been widely performed. Works like the four French songs and Young Apollo promise to become established repertory pieces.

One of Britten's prime concerns in the new company was that it should have a responsible attitude towards the encouragement of young composers, and that has remained the central core of Faber's policy. If there is the feeling that the Britten collection has influenced the kind of composer who is attracted to Faber and which the company itself finds sympathetic, Mitchell denies that there is any conscious aesthetic stance in their choice but accepts that there could be a "house style" which is characterised by clarity and intelligibility, and by music to which audiences respond instinctively and positively. Certainly, the Aldeburgh flavour is strong in the Matthews Brothers (Colin was first taken up by Faber at Britten's suggestion) and extends now to the company's latest recruit, Peter Paul Nash.

The problem of any publisher of new music is the same. Taking on a composer is enormously expensive: the costs preparing a new work for performance and the copying of scores and parts are considerable and rarely covered by any commission fee; promotion is time-consuming. Even had his resources been far larger, Mitchell doubts that he would have taken on many more than the stable of eight or so he currently has under contract; more he feels would be difficult to provide with the personal attention he thinks they should get.

Doubtless the company will continue to expand, but there remains the feeling that it enjoys its present compact status. The notion of "a Faber composer" certainly means something: it conjurs up the idea of a certain kind of musician, not especially radical, often unashamedly conservative, but always writing music with clean, logical outlines.

Andrew Clements

Radio

A stunning winter's tale

EMLYN Williams is 80 next week, and Radio 4 has properly scheduled four of his plays (two this past week, one tomorrow, one tomorrow week). I hope Mr Williams will forgive me if I do more than acknowledge them. They are well-known works, and some productions are repeats. But they are stage plays, and on Sunday Radio 4 gave an original radio piece of such stunning brilliance that it must take precedence over anything else. This was Ronald Frame's Winter Journey—strictly speaking also a repeat, but only for BBC Scotland.

The story is told simultaneously from three points. There is the straight forward narrative of Simon and Laura Tomlinson, he a diplomat in Prague, she his spoilt, ambitious wife living it up in London with their young daughter Annoële. There are always celebrations at Christmas, and one year Simon takes them for a drive across Europe, from Prague to Salzburg, then westward towards Munich, marital relations getting constantly worse. At last, in remote Bavaria, Simon is driven to crash his car. Laura is killed and Simon decamps, leaving a note for Annoële revealing that he was a spy. (Clues to this have been neatly dropped in throughout.) This story is seen mostly from Annoële's viewpoint.

But we also hear an account in the child Annoële's voice, and, besides that, a later commentary in the voice of adult Annoële. The triple viewpoint is brilliantly harmonised, and the result is exciting and poignant. It is exceptionally well played under Patrick Rayner's direction, with Jane Asher as Laura, just the kind of woman who would call her child Annoële. Tim Piggott-Smith as Simon and Annabelle Lanyon as the young Annoële.

The Monday Play, designed around deliberately ordinary people doing ordinary things, could not compete. This was Alan Drury's A Weekend Away, about a mature woman (Rosemary Martin) at a holiday reunion in Scarborough, in a hotel with a strong touch of Butlin. A hint of romance ("May I kiss your forehead?") is brushed aside, and the woman returns to the home she shares with her mother (Elizabeth Sprigge), who had hoped for something better, but only got a wish from her daughter that their lives might be "more separate." Richard Wortley was the director. I thought he rather overdid the high jinks at Scarborough, but the acting was OK.

They have been promising me all the year that there would be two broadcasts each week of the Food Programme, but they forgot to tell me that neither of them would be in its proper place, before lunch on Sunday. No we have it on Friday and Tuesday. Tuesday's "re-broadcast," as they say nowadays, was mainly about bread; Friday's, at midday, a rather better time than Tuesday's 4.15, dealt with the British wine industry. It remains a splendid programme, whenever it goes out. But the rescheduling threatens that Sunday's Colour Supplement, currently continuing unimproved, will go on.

While I am in a critical mood, I have to say that the marooning of Michael Parkinson on Desert Island Discs is an obvious miscalculation. Mr Parkinson has a positive, listen-to-me voice, not a voice to share an island with. He can laugh his way through the Sound Archives all right (though I don't care for the programme much). I didn't care for Desert Island Discs much, very often, but always felt myself in congenial company. As I said when Roy Plomley died, much better to kill the programme, so very much his own, and think of something else.

B. A. Young

WEEKEND FT

Private view

Snubbed again

WEDNESDAY was prize-giving night for the 300-odd companies that sponsor the arts. Distributing the awards was the Duke of Gloucester; collecting them were directors of the 10 companies judged to have had the best arty ideas in the past year.

Unless, however, you were a reader of the Daily Telegraph, which happens to sponsor the ocasion along with ABSA (the Association for Business Sponsorship of the Arts), the event will have passed you by. For the media is very reluctant to acknowledge the role that business plays in financing arts events: in fact, business is denied the one thing it seeks most avidly through its arts sponsorship — public recognition.

The hardest nut is the BBC. There is a strict code for the Radio Times, which banishes the sponsor's name to the smallest type size, if it is mentioned at all. The corporation also fights against the new trend in arts sponsorship towards "Own Label" events, like the Sainsbury Choir of the Year competition; these attempt to get round the antagonism of the media by making a plug for the company all but inevitable. Some producers, especially on Radio Three, manage to forget the name of the sponsor of an opera or concert.

The press is almost as bad. Many critics and writers on the arts are reluctant to mix the intellectual purity of a performance with mentioning something as earthy as commerce. There also is a feeling that arts sponsorship has become old news—partly because there is such an abundance of aided events, with sponsors trying harder than ever before to exploit the commercial value of their investment. This is seen to be at odds with old-fashioned, dispassionate patronage, and it seems to raise journalistic hackles.

So what instructive or entertaining stories did the public miss from the news blackout of the ABSA awards? It is not, perhaps, newsworthy that BP won its fourth award in eight years for its corporate programme: it is, after all, the biggest spender. It might have been expected that the contributions of Booker McConnell and Sainsbury would be recognised.

But what of Lederle Laboratories or the Midlands bakery firm of Coombs and Son?. Here are worthy stories. Lederle makes drugs to treat cancer. It paid for dancers and musicians from Sadler's Wells and the Royal Opera House to perform to 26 hospital wards and hospices before an audience of patients.

Coombs is a chain with 11 bakery shops. It decided to sponsor the Christmas production at the Leicester Haymarket of Charlie and the Chocolate Factory. It was a first-time venture and involved inventing a Willy Wonka cake, sold at its shops and in the theatre. Its goods were displayed in the foyer; and at each schools performance a birthday cake was provided. From a marketing point of view, here was money spent more effectively than on an advertising campaign.

Then, there was the Scottish Postal Board, a nationalised industry, supporting the arts in its area by providing Post Office vans or even aircraft to transport artists; and ICI's Agricultural Division which sponsored Nightshriek, a musical based on Macbeth and composed by a local Cleveland girl, Trisha Wood, aged 21. This was performed by 60 Cleveland youngsters, a third of them unemployed, along with the National Youth Theatre. And there was Allied Steel and Wire, which took a team from the Welsh National Opera to dockland Cardiff for 10 weeks.

When it comes to a new opera production at Covent Garden or Glyndebourne, the story these days is newsworthy only if no sponsor is involved (a production costs a minimum of £100,000 and often is closer now to double that). Sometimes, though, a company can hit on the right eye-catching concoction, like Cointreau's help for The Love of Three Oranges at Glyndebourne.

Sponsors of the arts cannot, and should not, automatically expect media coverage. But, on many occasions, newspapers and television have an irrational dislike of the piper who pays for the tune. In the process, we not only jeopardise the survival of some arts events but also miss good stories.

Antony Thorncroft

Sport

No 70: William "The Refrigerator" Perry

Monolith among monsters

AN UNLIKELY folk hero in the gargantuan shape of William Perry, a 22-year-old defensive tackle, used on occasions to attack by the unbeaten Chicago Bears, has rumbled on to the American football scene this season to enliven a sport that, like professional golf here, had appeared to have reached a stifling state of parity.

Perry, one of 11 children of a black house painter from Aiken, South Carolina, and his wife, who cleaned houses to help put 10 of those children through college, is 6 ft 2 ins tall and yet tips the scales at about 25 stone.

I am advisedly vague about that weight because when rookie Perry, a first round draft choice from Clemson University, also in South Carolina, checked in at Chicago's pre-season training camp he sent the scales soaring to a blubbery 28 stone and was promptly ordered to do something about it—or else. Strict and supervised dieting quickly melted away about seven stone. But when Perry then went into serious training, including weight lifting, his avoirdupois quickly increased again as muscle replaced fat.

Now this engaging, gap-toothed young man, nicknamed "the refrigerator," has been besieged by commercial offers, chiefly from manufacturers of that kitchen appliance that is so much an integral part of American life, the contents of which Perry can easily devour at a single sitting.

His agent is sitting back and plainly enjoying the incredible media hype and public adoration of his client as the offers pour in. They tend to overshadow the huge youngster's considerable athletic ability, not to speak of his massive strength, unlikely speed and, believe it or not, lightness of foot.

I came face to face with "the refrigerator" last Sunday for a brief moment on the artificial turf of Texas Stadium in Dallas as both teams warmed up in a noisy cauldron where many good judges expected the bears' ten game winning streak to be rudely ended by what is widely known as "America's team," the beloved Dallas Cowboys. Thankfully our meeting went no further than a perfunctory handshake and an exchange of pleasantries. But I saw for myself that Perry is quite monolithic in a sport populated largely by mere monsters.

The ensuing match seen on national television became a rout that created several unwanted records for the home club as the Bears mauled them by 44 points to nil in front of a sell out crowd of 63,855 spectators, all comfortably seated in a magnificent double decker stadium, or in two more tiers of enclosed private or corporate boxes.

The Cowboys had last failed to score a point exactly 15 years and 219 games previously. Their two equal worst previous defeats in their 26 years history had been by 41 points. Their two equal worst previous defeats at home had been by 21 points. The Cowboys' attack on Sunday never got nearer to scoring a touchdown—or try in rugby parlance — than the Bears' 37 yards line.

Some soccer crowds whose heroes had been humiliated so completely might have gone on a rampage. Instead the largely Texan crowd who chose to remain until the fourth quarter, at which stage Chicago led by 27 points stopped booing their fallen idols, and substituted frantic cheers for the Bears' two final touchdowns. A professor of psychology of my acquaintance believes that hooliganism is virtually unknown here because American football is violent enough to satisfy even the most primative urges of its most primative spectators.

Certainly it is the aim of every defence to put the opposition's quarter back — a team's generalissimo, playmaker and passer — out of the game. This feat Chicago achieved twice last sive line failed to protect Danny Sunday because the Dallas offen-Whits or stop the rampaging Bear's linebacker Otis Wilson. Wilson twice smashed the hapless White, concussing him in the first half and then, when the Dallas quarterback bravely returned sending him permanently to the dressing room with a jammed neck.

But even those who love the sustained savagery of the American game must have been sickened last Monday night when the oldest quarterback in the league, 36-year-old Joe Theismann of the Washington Redskins suffered an open compound fracture of both major bones in his right leg and some further cracks in the game against the New York Giants. He is unlikely to play again. The incident was replayed by the television network covering the game just in case the ghouls had missed it first time around.

There is much more to the game than pure violence, however.

To watch a wide receiver at full speed take off like a ballet dancer to catch a pass thrown a little high, although he knows a very heavy hit will follow, or to watch a world class running back like Chicago's Walter Payton jinking through a defence or taking on the defenders can be magic.

Payton, is widely recognised at 31 as the most complete player of all time. In addition to throwing and catching passes and his immaculate blocking for his team mates, this superb athlete ran for a total of 132 yards on 22 carries for his league record ninth 1,000-yards rushing season in 11 years, and an all time leading personal total of 14,392 yards.

How these Americans love statistics. But when one considers that Payton was a virtual one-man team in Chicago for so many years the statistics are all the more remarkable. Tony Dorsett, the Cowboy running back who is regarded as almost the equal of Payton, but in a more elusive and less physical manner, gained but 44 yards on 12 carries in Sunday's debacle, the first of which, early in the game was responsible for 22 of them.

Statistics can and do lie, but this particular collection fairly indicates the overwhelming superiority of the big bad Bears, who may well become this game's next, sagerly awaited dynasty.

Ben Wright

Women's scrum

LET'S get one thing straight. The Women's Rugby Football Union takes the game very seriously. And, no, its teams don't play against men.

"It's far too dangerous," says Tricia Moore, WRFU Press officer.

She is a second-row forward with Finchley, north London, one of 35 women's teams in the UK. Aged 24, she stands 5 ft 7 in and 11½ stone and started to play the game while reading English at York University. "I came from a rugby family, and I'd always wanted to have a go."

Women's rugby has been going in Britain for about 10 years, and most of the players, according to Tricia, are graduates aged between 21 and 28.

Tomorrow the strength of the women's game in this country will be demonstrated when 24 club sides take part in a 15-a-side knock-out tournament at University College London's ground at Shenley, Herts.

Plans are also in hand for a first international between the UK and France to be held at the Richmond Athletic Ground in April.

The women's game is strong in Europe — especially in France, the Netherlands, Italy and Spain—and in America, where there are second-row forwards of 5 ft 9 in and 15½ stone, much to the consternation of the British players.

The laws of Rugby Union are not modified for women's games, nor is the playing kit—the only difference is that club matches are played over two 30-minute periods as opposed to the 40 minutes of the male version. The 30 Finchley players train hard once a week, and all matches are played on Sundays.

Tricia Moore says that both the RFU and the referees societies have been supportive and helpful. Most games are refereed by men, however, as there are only three women officials in the UK.

Don Rotherford, former England full-back and now the RFU's technical administrator, recently held a coaching session for women at Bisham Abbey—scene of many an England squad weekend.

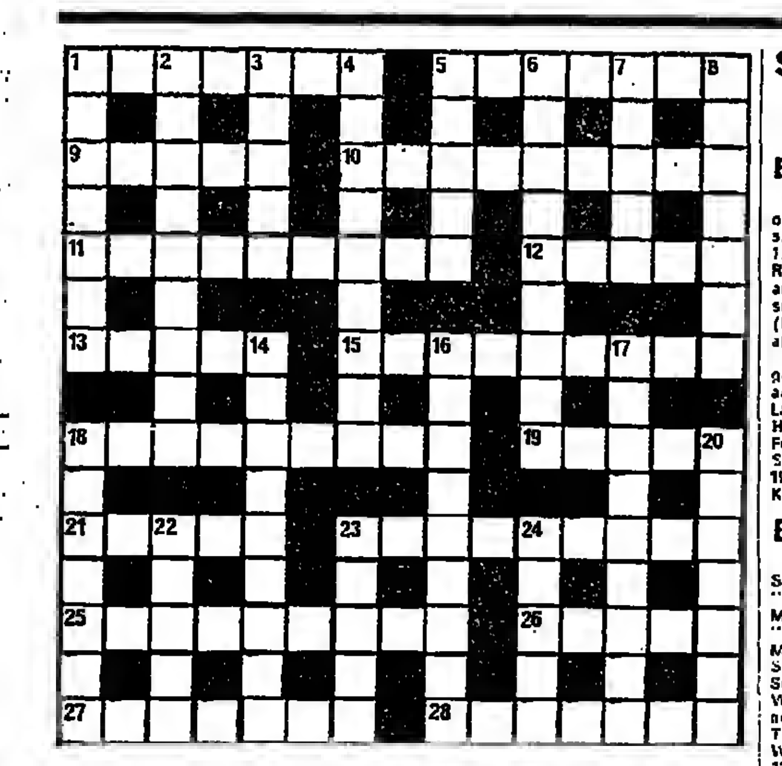
Between 100 and 200 people regularly watch a Finchley women's home match—most of them men. "We get a lot of sceptics, particularly among the husbands and boy friends, as you might imagine," says Tricia Moore, "but we think we send them away with a different vision of women's rugby."

Does the crowd come in the hope of seeing over-robust or dirty play? "If they do they'll be disappointed," says Tricia. "We play a committed and clean game. In six years the only injuries I have witnessed have been a broken ankle and dislocated finger." But she adds: "As the game becomes more competitive, there is the inevitability of more injuries."

What of after-match celebrations and high jinks? Well, the women of Finchley sing specially adapted rugby songs—non-sexist, clean and "generally very cheerful," she says. And yes, they do all share a big bath.

Indeed, it has depressed and irritated Tricia Moore that the newsdesks of certain popular newspapers have telephoned asking whether they can take pictures of women in the scrums, line-out and, of course, changing-rooms. "That's the sort of attitude we can do without," she says. "It's difficult enough for women in tough physical sports to be taken seriously — and the nudge-nudge, wink-wink approach doesn't help at all."

John Kitching



F.T. CROSSWORD PUZZLE No. 5,881

Prizes of £10 each for the first five correct solutions opened. Solutions to be received by next Thursday, marked Crossword on the envelope, to The Financial Times, 10 Cannon Street, London EC4P 4BY. Solution next Saturday.

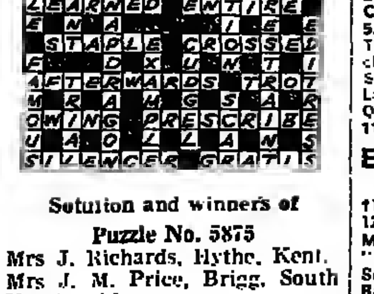
ACROSS

1 Well-loved banalities that feed Americans? (7)
5 It is put down in river-bed or banks (7)
9 No end of an enticement I had—ghastly! (5)
10 Piece of tape alt richt for you? There could be a jogger in it (5, 4)
11 Companion, first-class, and terrible flirt—this will get you to the top (5, 4)
12 Suitable material for sofa etc? (5)
13 Ask for terms: you'll enjoy it! (5)
15 Casts a spell on means of access (9)
18 Planet unfinished, date unsettled, very wet (9)
19 V. as in Beethoven's? (5)
21 Sprinkle water onto saint of North-East and West (5)
23 Boss with agents given messy part (3-6)
25 Figure that sounds like ruin and confusion (9)
26 Tree harmful at bottom? (5)
27 Footballer who isn't playing? (7)
28 Standing on two feet makes animal gasp (7)

DOWN

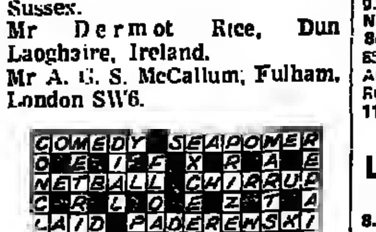
1 Place to wound an animal (7)
2 A way they have in BR (9)
3 Arrangements that's laid down (5)
4 Food from inn: mutler if disorganised (9)
5 Gave out cards on wooden table-top (5)
6 Plain type of fish on stick (9)
7 Move waggons to avoid junction (5)
8 It's dangerous to put leather in rising fat (7)
14 Reminder of ancestor to do with little fish? (9)
16 Derated by mistake: Pooh! (5-4)
17 D.I.Y. Place to eat if care is taken (9)
18 Surrey, apart from islands, is a place of luxury (7)
20 Bulham's work, perhaps, seriously affected (4, 3)
22 Rendering of horn, by the look of things (5)
23 Cheap paper from America turning up in a tump? (5)
24 Book whose opening is in a lump (page missing) (5)

Solution to Puzzle No. 5,880



Solution and winners of Puzzle No. 5875

Mrs J. Richards, Hythe, Kent.
Mrs J. M. Price, Brigg, South Humberside.
Mrs I. Barlow, Steyning, West Sussex.
Mr Dermot Rice, Dun Laoghaire, Ireland.
Mr A. G. S. McCallum, Fulham, London SW6.



TELEVISION AND RADIO

SATURDAY

† Indicates programme in black and white

BBC 1

8.30 am What-a-Mess. 8.35 Children of Fire Mountain. 9.00 Saturday Superstore. 12.15 pm Grandstand, including 1.00 News Summary; Football Focus; Racing from Newbury at 12.45, 1.15 and 1.50; Snooker (Coral UK Professional Championship); Rugby League (Halifax v Hull Kingston Rovers); and at 4.40 Classified Results.

5.05 News. 5.15 Regional Programmes. 5.20 The Tripods. 5.45 Terry and June. 6.15 The Noel Edmonds Late Breakfast Show. 7.05 Bob's Full House. 7.45 Juliet Bravo. 8.35 Only Fools and Horses. 9.05 News and Sport. 9.20 Murder One: Prime Suspect. 10.55 Snooker: The Coral United Kingdom Championship.

BBC 2

12.15 pm Open University. †1.30 Saturday Cinema Double Bill: "Criminal Court" (Tom Conway and Martha O'Driscoll star); and at †2.30 "Not As A Stranger" with Robert Mitchum, Olivia de Havilland, Frank Sinatra and Gloria Grahame. 4.40 Snooker. 9.20 Deutsch Direkt 9.45 World Chess Championship 7.30 News and Sport. 7.45 Saturday Review. 8.35 Tippett at Malvern 9.45 Outside the Window 10.35 Rally Report '85 10.55-12.50 am Francesco Rosi Season: "The Mattei Affair," starring Gian Maria Volonte (Italian film with English subtitles).

LONDON

6.55 am TV-am Breakfast Programme. 9.25 TX. 11.00 Terrahawks. 11.30 Mr Smith 12.00 News 12.05 pm Saint and Greavsie 12.30 Wrestling. 1.20 Airwolf. 2.15 Athletics (the McVitie's International Cross-Country) 3.15 "On The Buses," starring Reg Varney, Doris Hare and Michael Robbins. 4.45 Results Service. 5.00 News. 5.05 Blockbusters. 5.35 The A-Team. 6.30 Child's Play. 7.00 Game For a Laugh. 7.45 3-2-1. 8.45 News. 9.00 The Professionals. 10.00 Time For Murder. 11.00 LWT News Headlines followed by Movie Premiere: "A Reason To Live," starring Peter Fonda. 12.45 am New From London (Pallas). 1.40 Ace Crawford, Private Eye, starring Tim Conway. 2.05 Night Thoughts with W. O. Pattison.

Boris Karloff: C4, 11.45

CHANNEL 4

12.50 pm Channel 4 Racing from Ayr. †2.45 "The Chocolate Soldier," starring Nelson Eddy, Rise Stevens and Nigel Bruce. 4.35 Countdown. 5.05 Brookside Omnibus. 6.00 The Puppet Man. 6.40 World of Animation. 7.00 News Summary followed by 7 Days. 7.30 The Planets. 9.00 Boats of the Heart. 9.00 Upstairs Downstairs 10.00 Hill Street Blues. 11.00 Who Dares Wins. . . †11.45 "The Invisible Ray," starring Boris Karloff and Bela Lugosi.

S4C WALES

12.50 pm Racing from Ayr. 2.45 Feature Film: "The Rainmaker," starring Burt Lancaster and Katharine Hepburn 5.00 Gardeners' Calendar Roadshow 5.30 Upstairs, Downstairs. 6.30 Hwnbwrh 7.00 Newyddion. 7.15 At Y Ffordd. 7.45 Taro Bargen. 8.15 Chateauvallon. 9.15 Y Maes Chwarae. †10.35 Feature Film: "French Without Tears," starring Ellen Drew and Ray Milland. 12.10 am Kama Sutra Rides Again.

REGIONS

IBA Regions as London except at the following times:

ANGLIA

11.05 am Otherworld. 3.15 pm David Frost presents the Guinness Book of Records. 4.15 Small Wonder. 5.00 Time for Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange. 12.10 am That's Hollywood. 12.35 At the End of the Day.

BORDER

11.00 am Otherworld 8.00 pm Time for Murder. 10.00 Film: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange.

CENTRAL

11.00 am Otherworld. 3.15 pm Dangerfreaks. 4.15 Small Wonder. 9.00 Time for Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice" starring Jack Nicholson and Jessica Lange. 12.15 am Comedy Tonight.

CHANNEL

11.00 am Puffin's Pla(i)ce. 11.10 Tarzan. 11.59 Channel Islands Weather Summary. 5.05 pm Puffin's Pla(i)ce. 5.10 Blockbusters 5.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice." 12.10 am No Problem!

GRAMPIAN

11.00 am Otherworld. 3.15 pm Magnum. 4.15 Small Wonder. 9.00 Time For Murder. 10.00 Movie Premiere —"The Postman Always Rings Twice." 12.10 am Reflections.

GRANADA

11.05 am Otherworld. 3.15 pm Chips. 4.15 Diff'rent Strokes. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange. 12.10 am The Thompson Twins in Concert. 1.05 Ace Crawford, Private Eye.

HTV

11.05 am Chips. 11.58 HTV News. 3.15 pm The Mike Smith Celebrity Golf Show. 4.15 Happy Days. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice" starring Jack Nicholson and Jessica Lange. 12.10 am Party with the Rovers.

SCOTTISH

11.00 am SFA Short. 11.15 The Glen Michael Cavalcade. 3.15 pm Chips. 4.15 Small Wonder. 5.35 Knight Rider. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson, Jessica Lange and John Colicos. 12.10 am Late Call.

TSW

11.00 am Gus Honeybun's Magic Birthdays. 11.03 Freeze Frame. 11.57 TSW Regional News. 5.05 pm Newsport. 5.10 Blockbusters. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange 12.15 am No Problem! 12.45 Postscript.

TVS

11.00 am The Fantastic Four 11.25 Dreams. 11.57 TVS Weather. 3.10 pm Hardcastle and McCormick. 4.15 Small Wonder. 9.00 Time For Murder. 10.00 Movie Premiere. "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lang. 12.10 am Company.

TYNE TEES

11.00 am Morning Glory. 11.05 Chips. 9.00 pm Time For Murder. 10.00 Movie Premiere — "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange. 12.10 am Poet's Corner.

ULSTER

11.00 am The Baron. 11.58 Lunchtime News. 3.15 pm From Slot Wells to Jed—"The Making of a Saga." 4.15 Small Wonder 4.55 Sports Results. 5.03 Ulster News. 8.57 Ulster News. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange. 12.05 am News at Bedtime.

YORKSHIRE

11.05 am The Greatest American Hero. 3.15 pm Hart to Hart. 4.15 Small Wonder. 9.00 Time For Murder. 10.00 Movie Premiere: "The Postman Always Rings Twice," starring Jack Nicholson and Jessica Lange. 12.10 am Festival Folk.

RADIO

(S) Stereo on VHF

BBC RADIO 2

8.05 am David Jacobs (S). 10.00 Sounds of the 60s (S). 11.00 Album Time (S). 1.00 pm The News Huddlines. 1.30 Sport On 2, including Football; Racing from Newbury (1.50); Rugby League; Motor Sport (Lombard RAC Rally) and Frank Bough recalls his favourite moments of the 1966 World Cup Final; 5.00 Sport Report. 6.00 Folk On 2. 7.00 Jazz Score. 7.30 Gala Concert (S). 9.30 String Sound (S). 10.05 Martin Kelner (S). 12.05 am Night Owls introduced by Dave Gelly (S). 1.00 Steve Madden presents Nightride (S). 3.00-4.00 A Little Night Music (S).

BBC RADIO 3

7.00 am News 7.05 Aubade (S). 8.00 News. 8.05 Record Review (S). 10.15 Stereo Release (S). 11.05 BBC Scottish SO in Stirling, part 1 (S). 12.00 This Sporting Life. 12.05 pm Concert, part 2 (S). 1.00 News. 1.05 Heinrich Schutz (S). 1.45 English Fancies (S). 2.00 The Tchaikovsky Ballets: "The Sleeping Beauty," conducted by Rozhdestvensky (S). 5.00 Jazz Record Requests (S). 5.45 Critics' Forum. 6.35 Music for the Iron Voice (S). 7.05 Hummel and Beethoven (S). 7.45 "The Flying Dutchman": Simon Estes sings the title role in this Bavarian Radio recording from the 1985 Bayreuth Festival. Woldemar Nelsson conducts. The performance is in German (S). 10.10 Debussy and Ravel piano recital by Joaquin Achucarro (S). 11.00 Musica Antiqua, Cologne (S). 11.57-12.00 News.

BBC RADIO 4

7.00 am News. 7.10 Today's Papers. 7.15 On Your Farm. 7.45 In Perspective. 7.50 Down To Earth. 7.55 Weather; Travel. 8.00 News. 8.10 Today's Papers. 8.15 Sport On 4 with Harry Carpenter. 8.48 Yesterday in Parliament. 8.57 Weather; Travel. 9.00 News. 9.05 Breakaway. 9.50 News Stand. 10.05 The Week in Westminster. 10.30 Pick of the Week (S). 11.30 From our own Correspondent. 12.00 News; Money Box. 12.27 pm The News Quiz (S). 12.55 Weather. 1.00 News. 1.10 Any Questions? 1.55 Shipping Forecast. 2.00 News; The Afternoon Play (S). 3.00 News; International Assignment. 3.30 The Saturday Feature: The Lion and the Lotus: A survey of Buddhism in Britain. 4.15 Home-ing-in. 4.45 Prestwich Plque. 5.00 The Spirit of Kitty Hawk (S). 5.25 Week Ending (S). 5.50 Shipping Forecast. 5.55 Weather; Travel. 6.00 News; Sports round-up. 6.25 A Picture for Health. 6.55 Christopher Elderfield. 7.05 Stop the Week with Robert Robinson (S). 7.45 Baker's Dozen (S). 8.30 Saturday-Night Theatre: "Night Must Fall": a new production of Emlyn Williams' famous play, with Hywel Bennett, Brenda Bruce and Caroline Mortimer (S). 9.58 Weather. 10.00 News. 10.15 Evening Service (S). 10.30 Soundings. 11.00 Science Now. 11.30 In One Ear (S). 12.00-12.15 am News.

SUNDAY

†Indicates programme in black and white

BBC 1

8.55 am Play School. 9.15 Articles of Faith. 9.30 This is the Day. 10.00 Asian Magazine. 10.30 Dinamo! 10.55 Deutsch Direkt 11.20 Tele-Journal. 11.45 Blizzard's Wizard Woodwork. 12.10 pm See Hear! 12.35 Farming. 12.58 Weather News for farmers. 1.00 This Week Next Week. 1.55 Cartoon. 2.00 EastEnders. 3.00 Snooker (The Coral United Kingdom Championship). 5.30 Oliver Twist. 6.00 Comedy Classic: The Liver Birds. 6.30 News. 6.40 Songs of Praise for Thanksgiving. 7.15 Snooker. 7.45 Howards' Way. 8.35 Last of the Summer Wine. 9.05 Star Quality. 10.05 News. 10.20 Everyman. 11.10 Snooker.

BBC 2

10.20-11.25 am Open University. †11.45 Champion the Wonder Horse. 12.10 pm Windmill. 1.10 States of Mind. 2.00 Rugby Special. 2.30 Film: "Plymouth Adventure" starring Spencer Tracy. 4.15 Under Sail. 4.35 Rachmaninov Masterclass. 5.20 Thinking Aloud. "Psychoanalysis—does it ever cure anyone?" 6.00 News Review. 6.30 The Money Programme 7.15 The Natural World: Kingdom of the Ice Bear. 8.10 Comrades 8.55 Rally Report 85. 9.05 Fawlty Towers. 9.40 Film: Australian Cinema: "Run, Chrissie, Run!" 11.10 Rally Report 85. 11.40-11.50 Music At Night.

LONDON

8.55 am TV-am Breakfast Programme. 8.25 Wake Up London. 8.35 Woody and Friends. 8.45 Yippy Yappy Yahooey. 10.00 Morning Worship from Chelmsford Cathedral. 11.00 Link. 11.30 The Square Mile. 12.00 Weekend World. 1.00 pm Police S. 1.15 The Smurfs. 1.30 Joanie Loves Chachi. 2.00 The Human Factor. 2.30 LWT News Headlines followed by Audie Murphy rides again: "Gunsmoke!" 4.00 Golden Pennies. 4.30 Bullseye. 5.00 Sunday Sunday. 6.00 Albion Market. 6.30 News. 6.40 Highway. 7.15 Bruce Forsyth's Play Your Cards Right. 7.45 The Second Worst of Alright on the Night. 8.45 News. 9.00 Dutch Girls 10.30 The South Bank Show. 11.35 LWT News Headlines followed by South of Watford. 12.00 American Documentary. 12.55 am Night Thoughts.

CHANNEL 4

1.05 pm Irish Angle presents Hands. 1.30 Face The Press. 2.00 Pob's Programme. †2.25 "First Love," starring Deanna Durbin. †4.00 "A-Haunting We Will Go," (Stan Laurel and Oliver Hardy star). 5.15 News Summary followed by The Business Programme 6.00 American Football. 7.15 The Heart of the Dragon 8.15 The Jewel in the Crown 9.15 The Writing on the Wall. †10.25 "The Crowd" (King Vidor's film, one of the landmarks of the silent cinema).

S4C WALES

1.45 pm The Planets. 2.15 The People Trade. 2.45 Henry Cooper's Golden Belt. 3.45 Coping. 4.15 Mawl y Plant. 4.45 Pa Lo, Fa Food. 5.15 The Business Programme. 6.00 American Football. 7.10 Sugerted. 7.20 Newyddion. 7.30 Trebor. 8.00 Hywel Gwynfryn. 8.35 Dechrau Canu, Dechrau Canmol. 9.05 The Jewel in the Crown. 10.05 Byd Cerdd. 10.40 Snwcer 11.10 Sylw Un. 11.20 Right up the Zipper (

REGIONS

IBA Regions as London except at the following times:—

ANGLIA

9.30 am At Home With . . . Tim Walker, chairman of the Wildlife Fund. 1.00 pm Beverly Hillbillies. 1.25 Weather Trends. 1.30 Farming Diary. 2.30 Sunday Cinema: "The Magnificent Seven Deadly Sins." 4.30 Golden Pennies. 5.00 Candid Camera. 5.30 Bullseye. 10.35 The South Bank Show. 11.35 The Halley's Comet Show. 12.35 am Anthology.

BORDER

8.25 am Gardening Time. 8.55 Border Diary. 1.00 pm Sheepdog Trials. 1.30 Farming Outlook. 2.30 Afternoon Western: "Showdown at Abilene," starring Jock Mahoney and Martha Hyer. 4.30 The Baron. 5.30 Bullseye.

Carroll Baker: BBC 1, 9.05

CENTRAL

9.25 am The Adventures of the Mouse on Mars. 9.30 Captain Scarlet and the Mysterons. 1.00 pm Gardening Time 1.30 Here and Now. 2.30 The Weekend Matinee: "Butch and Sundance—The Early Years," starring William Katt and Tom Berenger. 4.30 Golden Pennies. 5.00 Whose Baby? 5.30 Bullseye.

CHANNEL

12.25 pm Today's Weather. 12.26 Starting Point. 12.30 Getting On. 1.00 Gardens For All. 1.30 Working for a Better Life. 2.30 The Sunday Matinee: "Checkpoint." 5.00 Puffin's Pla(i)ce. 5.03 Falcon Crest. 9.26 Channel News Headlines. 11.35 Quincy.

GRAMPIAN

8.25 am Cartoon. 9.30 Fireball XL5. 1.00 pm Farming Outlook. 1.30 Grampian Sheepdog Trials. 2.30 Dangerfreaks. 3.30 The Phyllis Diller Show. 5.00 Scotsport. 11.35 Darts. 12.05 am Reflections.

GRANADA

8.25 am The Wonderful Stories of Professor Kitzel. 9.35 Survival. 11.00 The Square Mile. 11.25 Aap Kaa Hak. 11.30 This is Your Right. 1.00 pm Small Wonder. 1.30 The Fall Guy. 2.25 Sunday Matinee: "The Delphi Bureau," starring Celeste Holm. 4.00 The Human Factor. 4.30 Golden Pennies. 5.00 Candid Camera. 9.30 Bullseye. 11.35 Man in a Suitcase.

HTV

9.25 am The Gar Along Gang. 9.50 Science International. 1.00 pm HTV West Hololino. 1.30 Farming Wales followed by weather for farmers. 2.00 Hotel. 3.00 Severnside Schools' Prom. 4.00 The Human Factor. 4.30 Golden Pennies. 5.00 Candid Camera. 5.30 Bullseye. 8.36 HTV News. 11.35 The Streets of San Francisco.

HTV Wales—As HTV West except: 1.00-1.30 pm The Protectors. 5.00-5.30 Play It Safe.

SCOTTISH

5.25 am The Adventures of the Mouse on Mars. 9.30 The Square Mile. 10.00 Sesame Street. 11.30 The Human Factor. 1.00 pm Grampian Sheepdog Trials. 1.30 Farming Outlook. 2.00 Not Strangers, But Pilgrims. 2.30 Feature Film: "Gunsmoke" starring Audie Murphy with Susan Cabot, Jack Kelly and Charles Drake 5.00 Scotsport. 11.35 Darts (Scotland v UK). 12.05 am Late Call.

TSW

9.25 am Link followed by South West Link. 11.00 The Square Mile. 11.25 Look and See. 11.30 The South West Week. 1.00 pm Gardens For All. 1.30 Farming News. 2.30 The Sunday Matinee: "Checkpoint" starring Anthony Steel and Stanley Baker. 9.00 Gus Honeybun's Magic Birthdays. 5.03 Falcon Crest. 11.35 The South West Week. 12.05 am Postscript.

TVS

8.25 am Action Line. 8.40 Cartoon Compilation. 11.30 The Square Mile. 1.00 pm Agenda. 1.30 Farm Focus. 2.00 Candid Camera 2.30 Swashbucklers: "The Four Musketeers—The Revenge of Milady" starring Oliver Reed and Racquel Welch. 4.25 TVS News. 4.30 Golden Pennies. 5.00 The Human Factor. 5.30 Bullseye. 11.35 Man in a Suitcase. 12.35 am Company.

TYNE TEES

5.25 am Morning Glory. 8.30 Link. 11.00 The Square Mile. 11.25 Sunday Lookaround. 11.30 Batman. 1.00 pm Farming Outlook. 1.30 Salmon. 2.30 Darts — Autumn Gold Masters. 3.30 Hotel. 4.30 Golden Pennies. 5.00 Small Wonder. 5.30 Bullseye. 11.35 Epilogue.

ULSTER

10.45 am Advice with Anne Hailes. 12.58 pm Lunchtime News. 1.00 Farming Ulster. 1.28 Farming Weather. 1.30 Bygones. 2.30 Sunday Cinema: "Butch and Sundance — The Early Days." William Katt and Tom Berenger. 4.30 Golden Pennies. 5.00 Reloica. 5.30 Bullseye. 8.38 Ulster News. 8.57 Ulster News. 11.36 Sports Results. 11.40 Festival Folk: "Ryan's Fancy." 12.05 am News at Bedtime.

YORKSHIRE

9.25 am Regional Weather Forecast followed by Link. 11.00 The Square Mile. 11.30 Farming Diary. 1.00 pm Men in a Suitcase. 2.30 Sunday Cinema: "Doctor at Large," starring Dirk Bogarde with Muriel Pavlow, Donald Sinden, James Robertson Justice and Shirley Eaton. 4.30 Golden Pennies. 5.00 The Protectors. 5.30 Bullseye. 11.35 The New Squadronaires. 12.05 am Five Minutes.

RADIO

(S) Stereo on VHF

BBC RADIO 2

7.30 am Roger Royle says Good Morning Sunday (S). 5.00 Melodies For You (S). 11.00 Desmond Carrington with your Radio 2 All-Time Greats (S). 1.00 pm Ray Moore Presents Two's Best (S). 2.00 Benny Green (S). 3.00 Alan Dell (S). 4.00 A Proper Charlie (S). 4.30 Sing Something Simple (S). 5.00 Charlie Chester with your Sunday Soapbox. 7.00 Iain Sutherland presents some of his favourite music with his guest Paul Hudson. 7.30 A Box at the Opera. 8.30 Sunday Half-Hour Special. 9.00 Your Hundred Best Tunes introduced by Alan Keith. 10.05 Songs From The Shows. 10.45 Keith Swallow and John Wilson at the piano. 11.00 Sounds of Jazz (stereo from midnight). 1.00 am Steve Madden presents Nightride (S). 3.00-4.00 A Little Night Music (S).

BBC RADIO 3

7.00 am News. 7.05 Concertino Pastorale (S). 8.00 Bach Cantatas 1724 (S). 8.15 Tchaikovsky Piano Music (S). 9.00 News. 9.05 Your Concert Choice (S). 10.30 Music Weekly (S). 11.15 Richard Hickox Singers (S). 12.15 pm Cleveland Orchestra, part 1 (S). 1.00 Words. 1.05 Concert, Part 2 (S). 1.40 Crusell and Weber (S). 2.30 CPE Bach and Schubert (S). 3.15 London Symphony Orchestra (S). 4.00 Bach—More or less Italian (S). 4.30 Choral Evensong (S). 5.30 New Premises. 6.15 Southampton International New Music Week 1985, part 1 (S). 7.00 Revolution. 7.15 Concert, part 2 (S). 8.00 Ending Time (S). 8.00 Schubert and Maconchy—song recital by Robin Leggate (tenor) (S). 9.30 The Reith Lectures 1985. David Henderson gives the third of his six lectures on the influence of economic ideas on policy. 10.00 Mozart Piano Concertos (S) (10.45 Interval Reading). 11.30 Jonathan Harvey: Meditation for cello and 4-channel tape (S). 11.57-12.00 News.

BBC RADIO 4

8.00 am News. 8.10 Sunday Papers. 8.15 Sunday. 8.50 Terry Wogan talks for the Week's Good Cause about Children in Need. 8.55 Weather; Travel. 9.00 News. 9.10 Sunday Papers. 9.15 Letter From America by Alistair Cooke. 9.30 Morning Service (S). 10.15 The Archers. 11.15 The Colour Supplement. 12.55 Weather. 1.00 pm The World This Weekend. 1.55 Shipping Forecast. 2.00 News; Gardeners' Question Time. 2.30 The Afternoon Play (S). 3.45 The Gamekeeper's Tale (S). 4.00 News; Talking About Antiques. 4.30 The Living World. 5.00 News; Travel. Down Your Way. 5.50 Shipping Forecast. 5.55 Weather. 6.00 News. 6.15 Feedback. 6.30 Bookshelf with Hunter Davies: 7.00 Travel; Raffles (S). 7.30 A Sporting Investment (David Davies looks at the sponsorship of sport in the second of two programmes). 8.05 Law in Action. 8.30 A Work in Edgeways. 9.00 News; The White Peacock (S). 9.58 Weather. 10.00 News. 10.15 The Sunday Feature: Remembering. 11.00 Searching for God. 11.15 In Committee. 12.00-12.15 am News.